

## CORPORATION TAX

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your corporation tax affairs and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities as directors/officers

1.1 The Directors/Officers, on behalf of the company/society, are legally responsible for:

- (a) ensuring that the company/society tax return (including XBRL tags and iXBRL file), and any other returns submitted, are correct and complete;
- (b) filing any returns by the due date; and
- (c) making payment of tax on time.

Failure to do this may lead to automatic penalties and/or interest.

Legal responsibility for approval of the return cannot be delegated to others. You agree to check that any returns we have prepared for the company/society are accurate and complete before approving them.

You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.

1.2 It is mandatory for the company/society tax return to be delivered electronically using the Extensible Business Reporting Language (XBRL) format, a type of computer language. A parent company may be required to file both individual and group financial statements as part of its online company tax return. Unless you have requested otherwise (see **Key Facts**), it is your responsibility to ensure that the financial statements provided to us have been accurately tagged in the iXBRL format.

1.3 To enable us to carry out our work the Directors/Officers agree:

- (a) to provide the approved financial statements of the company/society;
- (b) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- (c) to provide full information necessary for dealing with the company/society's affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the company/society's affairs;
- (e) to provide us with information in sufficient time for the company/society's Corporation Tax Self Assessment (CTSA) return to be completed and submitted by the due date specified in **Key Facts** following the end of the tax year. In order that we can do this we need to receive all relevant information by the date specified in **Key Facts**. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee for so doing;
- (f) to provide information on matters affecting the company/society's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment. This information should include details of trading profits and other taxable activities up to the date the information is provided, together with estimates to the end of the accounting period; and
- (g) to provide us with information on advances or loans made to directors/officers, shareholders or their associates during an accounting period and any actual or planned repayments or write offs after the accounting period.

1.4 The Directors/Officers will keep us informed of material changes in circumstances that could affect the tax liabilities of the company/society. If the Directors/Officers are unsure whether the

change is material or not please let us know so that we can assess the significance or otherwise.

- 1.5 HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC, and authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 1.6 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us, if relevant through the form 64-8, it is essential that you let us have copies of any correspondence received from HMRC to avoid any breakdown in communication.
- 1.7 You are responsible for monitoring the monthly turnover to establish whether the company is liable to register for VAT, if not already registered. If you do not understand what you need to do, please ask us. If the company turnover exceeds the UK VAT registration threshold and you wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which you exceed the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty.
- 1.8 In certain circumstances there can be obligations to register for VAT, or similar turnover taxes, in non-UK countries including the Member States of the European Union. While we may, in some circumstances, be able to assist with questions relating to the VAT systems of non-UK countries and would encourage you to ask us for assistance, all advice in relation to non-UK tax systems should be confirmed with an appropriate specialist in that country's rules. We will not be responsible for any failure to comply with the tax rules of a non-UK country.
- 1.9 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (with the final destination of the goods being within the EU), then the EU's Import One Stop Shop (IOSS) can be used by both EU and non-EU established suppliers in preference to standard import procedures.
- 1.10 If you are making distance supplies of goods within the EU, e.g. from France into Germany (B2C), you may, depending on circumstances, be able to use either the Union or non-Union OSS scheme in preference to registering for VAT in the member state of delivery.  

The non-Union OSS can be used for any services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C).
- 1.11 There may be other circumstances where the Union or non-Union OSS can be used, such as domestic supplies of goods by deemed suppliers. In general terms, however, if you do not fall within the criteria for OSS registration then you may need to VAT-register in the Member State in which you make the supply of the goods or services.
- 1.12 You are also responsible for employment taxes, pensions (including auto-enrolment) and assessment of the employment status of your workers. If your business is not small, then you are also responsible for assessing the employment status of any contractors providing personal services to your business via intermediaries under the off-payroll working (IR35) rules, as well as being responsible for employment taxes if they are deemed employees. If you do not understand what you need to consider or what action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

## **2 Our responsibilities as accountants**

- 2.1 Profit from financial statements prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. We will prepare the company/society's CTSA, the corporation tax computation with these adjustments, and supporting schedules required, from the financial statements and information and explanations you provide to us.

- 2.2 After obtaining the evidenced approval of the proper director/officer or other person authorised to act for the company/society in this regard, we will submit the return, computation and accounts online to HMRC and, if relevant, Companies House, in the required Extensible Business Reporting Language (XBRL) format, a type of computer language. Responsibility for the generation of the financial statements, and the production of the iXBRL format of the accounts required by HMRC and Companies House, is stated in **Key Facts**. If we are responsible for tagging the financial statements, we will:
- (a) insert the appropriate iXBRL 'tags' in accordance with the tagging requirements specified by HMRC. In most cases, we will use professional software to undertake the 'tagging' and it is therefore agreed that you authorise us to process all normal/standard data tags without reference to you. However, as stated above it is your legal responsibility to provide the information in iXBRL format, and therefore we will refer to you on any non-standard or judgmental areas.
  - (b) provide you with detailed information in respect of the tagging applied for your approval, if requested.
- 2.3 It is mandatory for the CTSA to be delivered electronically using the iXBRL format, which includes the statutory financial statements. It is the company/society's responsibility to ensure that the financial statements have been accurately tagged, the statutory audit (if relevant) does not provide assurance on this matter.
- 2.4 We will tell you how much tax the company/society should pay and when. If appropriate, we will initiate repayment claims when tax has been overpaid. We will advise on the interest and penalty implications if corporation tax is paid late.
- 2.5 We will inform you if instalment payments of corporation tax are due for an accounting period and the dates they are payable. We will calculate the quarterly instalments which should be made on the basis of information supplied by you by the date agreed.
- 2.6 We will advise you as to possible claims and elections arising from information supplied by you including, where relevant, industry-specific claims for additional deductions and payable tax credits, and claims relating to research and development expenditure. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC. Specialist claims may be the subject of a separate engagement schedule.
- 2.7 Since 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
- 2.8 Where specialist advice is required we may, on occasion, need to seek this from or refer you to appropriate specialists. If required we will seek your permission to engage additional specialists for a fee to be mutually agreed by the additional specialist and the client. We will separately agree any additional fee for our role in this process.
- 2.9 It is our policy to confirm in writing advice upon which the company/society may wish to rely.

#### ***Payments under deduction of tax***

- 2.10 If applicable, we will complete, using information provided by you, return form CT61 regarding payments made to and by the company under deduction of tax. We will send the form CT61 to you for approval and signature, advising you of the amounts of income tax that are due, and the due date for payment and submission of the form. Who will submit the form CT61 and remittance to HMRC is stated in **Key Facts**. You must inform us immediately if the company pays or receives any interest or similar amounts under deduction of tax.

#### ***Personal service companies (IR35)***

- 2.11 If relevant, we will advise on whether the company is subject to the personal services legislation on a contract by contract basis. You authorise us to seek an opinion from HMRC where we consider it appropriate. If there are contracts that we consider are within the personal services legislation we will calculate the deemed salary, prepare the corporation tax computations using

the prescribed method, prepare and submit the necessary payroll reports for any deemed payments and advise you how much tax and national insurance to pay and by when, as well as whether to pay any actual salary before the year end and, if so, how much.

### ***Managed service companies***

- 2.12 If relevant, we will advise on whether the company is subject to the managed service company legislation. You authorise us to seek an opinion from HMRC where we consider it appropriate. If we deem the legislation to apply we will prepare the corporation tax computations using the prescribed method, prepare and submit the necessary payroll documentation and advise you how much tax and national insurance to pay and by when.
- 2.13 As a firm of accountants, we are not a managed service company provider and are not involved with the company under the terms of the legislation. We will not be made responsible for any unrecovered PAYE debt from the company.

### ***Groups and consortia***

- 2.14 If relevant, in relation to groups and consortia of which your company/society is a member, and in respect of which you have instructed us to act, we will provide the following additional services:
- We will advise on the intra-group payment of dividends, interest, royalties and similar liabilities;
  - In respect of dividends, interest, and royalties received, we will advise on the applicability of the relevant double-tax treaty to the withholding tax rate, and assist with obtaining a UK certificate of tax residence. For dividends, if relevant, we will make any necessary election to tax the dividends in the UK in order to obtain treaty relief.
  - We will deal with all communications relating to elections addressed to us by HMRC.
  - In respect of claims for group and consortium relief:
    - (a) We will advise as required on claims for group and consortium relief and the interaction with other reliefs.
    - (b) We will prepare and submit to HMRC appropriate claims.
    - (c) We will adjust corporation tax computations to reflect the surrender and receipt of group and consortium reliefs.
    - (d) We will prepare and submit to HMRC necessary documentation regarding the allocation of losses via group relief and the annual loss allowance.
    - (e) We will advise on arrangements for payment of tax and the surrender and set-off of tax refunds within the group.
    - (f) We will advise on claiming eligible unrelieved foreign tax (EUFT) or the surrender of any amount of EUFT.
  - In respect of intra-group payments of interest:
    - (a) We will advise on withholding tax obligations;
    - (b) For cross-border payments we will prepare and submit to HMRC applications to account for no or a reduced amount of withholding tax under the EU Interest and Royalty Directive and double-tax treaties, as applicable;
    - (c) Where withholding tax is due, we will complete form CT61 and advise on payment; and
    - (d) We will adjust corporation tax computations and returns to reflect interest payments and associated withholding tax, if any.
  - In respect of intra-group payments of royalties and similar liabilities;
    - (a) We will advise on withholding tax obligations;
    - (b) Where withholding tax is due, we will complete form CT61 and advise on payment;
    - (c) We will adjust corporation tax computations and returns to reflect royalty and similar payments and associated withholding tax, if any, and make such additional disclosures in form CT600-H as are appropriate.

- Where relevant, we will advise on the application of transfer pricing rules.
- 2.15 Where applicable, we will need to be authorised to contact other group member accountants to ensure that all necessary information and explanations are available. It is the responsibility of the parent company directors to ensure that such information and explanations are correct and complete.
- Other tax advice**
- 2.16 We will be pleased to assist the company/society generally in tax matters if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken.
- 2.17 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of ad hoc work would include:
- advising you on ad hoc transactions (for example the sale or purchase of assets);
  - advising you when corporation tax is due on loans by the company/society to directors/officers or shareholders or their associates, and calculating the payments due or the amount repayable when the loans are repaid;
  - advising you on and preparing enhanced expenditure claims and reliefs, including those relating to research and development;
  - advising you on, and preparing analyses of, expenditure and detailed capital allowance claims for renovation of buildings;
  - preparation and submission of a group allocation allowance statement;
  - preparation and submission of a corporate interest restriction return;
  - assistance with country-by-country reporting notifications, senior accounting officer reporting obligations, and the company tax strategy document;
  - dealing with any enquiry, information request, inspection, compliance check or other intervention opened into the company/society's corporate tax affairs by HMRC;
  - advising on ad hoc transactions, preparing additional supplementary pages to your tax return and calculating any related liabilities; and
  - preparing any amended returns that may be required, calculating any related tax liabilities and corresponding with HMRC as necessary.
- 2.18 We will be pleased also to advise the directors/officers and executives on their personal income tax and capital tax affairs. In such cases we will need to agree separate terms with the individuals concerned.

## PREPARATION OF iXBRL TAGGED ACCOUNTS ONLY

*The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to solely the preparation of the iXBRL tagged accounts from the company/society's annual financial statements, and to clarify our respective responsibilities in respect of that work.*

### 1 Your responsibilities as directors/officers

- 1.1 You have agreed that you, your staff or a third party appointed by you will:
- (a) prepare financial statements in accordance with generally accepted accounting practice and in accordance with applicable legislation;
  - (b) provide us with a copy of the final signed financial statements in Word or Excel (or another format as agreed beforehand); and
  - (c) provide us with supporting information including a detailed trial balance and nominal ledger detail.
- 1.2 It is your legal responsibility to provide the accounts information in iXBRL format, as required by HMRC. This allows the data to be read by a computer.

### 2 Our responsibilities as accountants

- 2.1 You have instructed us to convert financial statements, prepared by yourselves or another firm of accountants, into the inline Extensible Business Reporting Language (iXBRL) format required by HMRC.
- 2.2 It was agreed that we should carry out the following accounting and other services:
- (a) insert the appropriate iXBRL 'tags' in accordance with the tagging requirements specified by HMRC. In most cases, we will use professional software to undertake the 'tagging' and it is therefore agreed that you authorise us to process all normal/standard data tags without reference to you. However, as stated above it is your legal responsibility to provide the information in iXBRL format, and therefore we will refer to you on any non-standard or judgmental areas.
  - (b) issue a tagging report for approval by yourselves, as specified in **Key Facts**; and
  - (c) provide you with iXBRL accounts files.

## REVIEW OF iXBRL TAGGED ACCOUNTS ONLY

*The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the review of the iXBRL tagged accounts produced by yourselves and to clarify our respective responsibilities in respect of that work.*

### 1 Your responsibilities as directors/officers

1.1 You have agreed that you will:

- (a) prepare financial statements in accordance with generally accepted accounting practice and in accordance with applicable legislation;
- (b) select suitable XBRL taxonomies and apply XBRL tags to the accounts information so as to prepare iXBRL accounts; and
- (c) provide us with a copy of the iXBRL accounts and your tagging report, along with any workings.

1.2 You have agreed that you are responsible for:

- (a) the XBRL tagged data included within the iXBRL accounts being complete, accurate and consistent;
- (b) ensuring that the scope of our work is sufficient for your purposes; and
- (c) implementing any adjustments or corrections that we report to you prior to submission to HMRC. Please note that we will not be held responsible for any failure to make any such adjustments

### 2 Our responsibilities as accountants

2.1 You have instructed us to review the inline Extensible Business Reporting Language (iXBRL) accounts produced by your staff to ensure the tagging is reasonable.

2.2 It was agreed that we should carry out the following accounting and other services, unless stated otherwise in **Key Facts**:

- (a) confirm that the human-readable element of the iXBRL accounts are consistent with the financial statements approved by the directors;
- (b) ensure that the tags used are valid (i.e. exist in the UK GAAP or UK IFRS taxonomy as appropriate) and are reasonable;
- (c) confirm the accuracy, existence and completeness of XBRL tags [on a sample basis];
- (d) Ensure that where the same tag has been used more than once, the underlying information is consistent;
- (e) determine whether any company-specific extensions to the relevant taxonomies are necessary, are appropriate and have been applied consistently; and
- (f) check whether the iXBRL accounts can be accepted electronically by HMRC.

2.3 We will provide you with a report of our findings and recommendations, to enable you to make any adjustments/corrections to the accounts that you consider necessary before their approval and submission to HMRC. Our report will be made solely to you. It is not to be used for any other purpose or disclosed in any way to any other person without our prior written consent. We accept no duty, responsibility or liability to any other party in connection with this engagement or our report.

## SELF ASSESSMENT (PARTNERSHIPS AND LLPs)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the partnership/LLP's tax self assessment and to clarify our respective responsibilities in respect of that work.

In this schedule, in the case of an LLP, references to 'the partners' are to be taken as being a reference to or including the members of the LLP, and references to 'the partnership' are to the LLP.

### 1 Your responsibilities

1.1 The partners are legally responsible for:

- (a) ensuring that the partnership self assessment tax returns (and related partnership statements and supplementary pages) are correct and complete;
- (b) filing all such returns by the relevant due date; and
- (c) reporting their allocation of the partnership profit or loss on their own self assessment tax returns and paying any associated tax on time.

Failure to do this may lead to automatic penalties, surcharges and/or interest.

Legal responsibility for approval of the return cannot be delegated to others. The partners agree to check that returns and partnership statements prepared for the partnership are accurate and complete in all respects before you or the Nominated Partner (below) approve(s) them.

You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.

1.2 To enable us to carry out our work you agree:

- (a) that all tax returns are to be made on the basis of full disclosure of all sources of income, profits and gains, all charges and allowances and all capital transactions;
- (b) to maintain accurate and complete accounting and other records of all income, expenses and outgoings of the partnership, and of the results of all transactions of the partnership of a capital nature.
- (c) to provide full information and documents necessary for dealing with the partnership's tax affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (d) to provide us with the name of the partner nominated to deal with the partnership's tax affairs (the Nominated Partner), and to authorise us to take instructions from such Nominated Partner in relation to the preparation, and submission to HMRC, of partnership tax returns (with supporting statements and pages);
- (e) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the partnership's tax affairs; and
- (f) to provide us with information in sufficient time for the partnership tax returns to be completed and submitted by the due date as stated in **Key Facts**. In order that we can do this, we need to receive all relevant information by the date stated in **Key Facts**. If for any reason we do not receive all relevant information by this date we may, at our discretion and depending on our work capacity, still endeavour to complete the relevant tax return so that it can be submitted on time. We reserve the right to make an additional charge for such rush work and will advise you of the amount prior to carrying out the work.

1.3 You will keep us fully and promptly informed of events or material changes in circumstances that could affect the tax liabilities of the partners including, by way of examples, changes in the partners in the partnership, changes in profit share, or, where a partner in the partnership becomes or ceases to be partner as trustee for a beneficiary who is absolutely entitled to the partner's share of the profits of the partnership, that change. If you are unsure whether an event

or the change in circumstances is material or not, please let us know so that we can assess the significance or otherwise.

- 1.4 HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC, and authorises HMRC to communicate with us as your agent, although they consider that you must still take 'reasonable care' over your tax affairs.
- 1.5 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC may have the authority to communicate with us, if relevant through the form 64-8, it is essential that you let us have copies of any correspondence received from HMRC to avoid any breakdown in communication.
- 1.6 You are responsible for monitoring the partnership's monthly turnover to establish whether the partnership is liable to register for VAT if it is not already registered. If you do not understand what you need to do, please ask us. If your turnover exceeds the UK VAT registration threshold and you wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which your turnover exceeds the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty.
- 1.7 In certain circumstances there can be obligations to register for VAT, or similar turnover taxes, in non-UK countries including the Member States of the European Union. While we may, in some circumstances, be able to assist with questions relating to the VAT systems of non-UK countries and would encourage you to ask us for assistance, all advice in relation to non-UK tax systems should be confirmed with an appropriate specialist in that country's rules. We will not be responsible for any failure to comply with the tax rules of a non-UK country.
- 1.8 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (with the final destination of the goods being within the EU), then the EU's Import One Stop Shop (IOSS) can be used by both EU and non-EU established suppliers. If you are importing goods into the EU to be supplied to non-taxable persons, but do not or cannot use the IOSS, then you will likely have to register for VAT in the Member State of importation.
- 1.9 If you are making distance supplies of goods within the EU, e.g. from France into Germany (B2C), you can use the Union One Stop Shop (OSS). The non-Union OSS can be used for any services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C again).
- 1.10 There may be other circumstances where the Union or non-Union OSS can be used, such as domestic supplies of goods by deemed suppliers. In general terms, however, if you do not fall within the criteria for OSS registration then you may need to VAT-register in the Member State in which you make the supply of the goods or services.
- 1.11 You are also responsible for employment taxes, pensions (including auto-enrolment) and assessment of the employment status of your workers. If your business is not small, then you are also responsible for assessing the employment status of any contractors providing personal services to your business via intermediaries under the off-payroll working (IR35) rules, as well as being responsible for employment taxes if they are deemed employees. If you do not understand what you need to consider or what action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

## **2 Our responsibilities as accountants**

- 2.1 Profit from financial statements prepared under UK GAAP or the cash basis (see **Key Facts** for selected option) may require adjustment to arrive at the profit figure assessable for tax. We will prepare computations of taxable profits and capital gains based on the partnership financial statements from the accounting records and other information and explanations provided by you.

- 2.2 We will prepare the partnership self assessment tax returns and the annual partnership statements, together with any supplementary pages required, from the information and explanations that the partnership provides to us. For the avoidance of doubt, this obligation does not extend to any VAT returns, or tax returns which may be required to be made in any country or jurisdiction outside the United Kingdom.
- 2.3 After obtaining the evidenced approval of the Nominated Partner we will submit these to HMRC. If required, you authorise us to file the return electronically.
- 2.4 If instructed by you we will provide each partner or their agent with details of the partner's allocations from the return to enable partners to fill in their own self assessment tax returns.
- 2.5 If instructed by you, we will advise you as to possible claims and elections arising from information supplied by the partnership. Where subsequently instructed by you we will make such claims and elections in the form and manner required by HMRC.
- 2.6 We will deal with all communications relating to your return that are addressed to us directly by HMRC or passed to us by you. However if HMRC choose the partnership tax return for enquiry this work may need to be the subject of a separate assignment. In this event we will seek further instructions from you.
- 2.7 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.
- 2.8 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded (see also 2.9 below). If you instruct us to do so, we will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of ad hoc work would include:
- advising on ad hoc transactions (for example the sale or purchase of assets);
  - advising on preparing financial statements (including preparation on the cash basis and helping you to make the requisite election);
  - dealing with any enquiry opened into the partnership's tax return by HMRC; and
  - preparing any amended returns which may be required and corresponding with HMRC as necessary.
- 2.9 In particular (in relation to the scope of our services to you), our services do not extend to advising you or carrying out any work on or in connection with, or arising out of:
- the partnership being a partner (including an indirect partner) in any other partnership; or
  - any other partnership being a partner (including an indirect partner) in the partnership.
- This relates to provisions enacted by the *Finance Act 2018*. These provisions can require, for example, the preparation of partnership statements on four alternative bases. Where the partnership's circumstances are within either of these two bullet points, we will be happy to discuss the additional work that may be required, and to make this the subject of a separate engagement letter.
- 2.10 Since 17 July 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
- 2.11 Where specialist advice in certain areas is required on occasion, we may need to seek this from or refer you to appropriate specialists.
- 2.12 It is our policy to confirm in writing advice upon which the partnership may wish to rely.
- 2.13 The work carried out within this engagement will be in respect of the partnership's tax affairs. Any work to be carried out for the individual partners will be set out in a separate letter of engagement.

## BENEFITS-IN-KIND (P11D) RETURNS

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your P11D affairs and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

1.1 You are legally responsible for:

- (a) ensuring that your declaration on form P11D(b) is true to the best of your knowledge and belief and therefore that the entries on the related forms P11D and, if relevant, amounts of benefits-in-kind and expenses in the payroll, are correct and complete;
- (b) filing any returns by the due date after the end of the tax year; and
- (c) making payment of Class 1A NIC on time.

Failure to do any of the above may lead to penalties and/or interest.

If you registered online for payroll of benefits before the tax year, you do not have to include payrolled benefits on the P11D.

1.2 Legal responsibility for approval of this return cannot be delegated to others. You agree to check that the forms that we have prepared for you are correct and complete before approving them.

You are no less responsible for errors in unapproved returns submitted on the basis of the information provided to and processed by us than if you had confirmed your approval of the returns.

1.3 To enable us to carry out our work, you agree:

- (a) that all returns are to be made on the basis of full disclosure;
- (b) to provide full information necessary for dealing with your benefits-in-kind; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to notify us by the agreed date after the end of the tax year (see **Key Facts**) of all transactions or events which may need to be reflected in the forms P11D for the period, including details of all employees during the year and details of their remuneration packages;
- (d) to authorise us to approach such third parties as may be appropriate that we consider necessary to deal with completing the benefits-in-kind returns; and
- (e) to approve the returns as soon as possible so they can be submitted on or before the filing deadline of 6 July after the end of the tax year.

If we do not hear from you by the above deadline, subject to any other agreement between us, we will take your silence as your approval for us to submit the returns.

1.4 If the information required to complete the benefits-in-kind returns set out above is received later than the date specified in **Key Facts**, we will still endeavour to process the information onto the relevant P11D returns to meet the submission date but we will not be liable for any costs or other losses arising if submission is late. In such circumstances, we may charge an additional fee.

1.5 You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when form 64-8 has been submitted, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so.

## 2 Our responsibilities as accountants

- 2.1 We will carry out the following in respect of forms P11D and P11D(b):
- (a) We will prepare/review forms P11D as may be required for each employee including directors, from the financial statements, information and explanations provided to us on your behalf.
  - (b) We will prepare/review forms P11D(b) to include, if relevant, the Class 1A NIC on benefits-in-kind and expenses, both on forms P11D and included in the payroll;
  - (c) We will submit the forms P11D for any benefits/employees for whom benefits are provided but not payrolled, with the form P11D(b) after the form P11D(b) has been agreed by you.
  - (d) We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date of 6 July following the end of the tax year.
  - (e) We will calculate your Class 1A NIC liability on the benefits and expenses, both returned in forms P11D and included in payroll, that you are obliged to pay HMRC by the due date, and send payment instructions to either you or your bank, as stated in **Key Facts**, to action payment.
- 2.2 The scope of our services provided to you will be only as set out above and all other service which we may offer are excluded. If you instruct us to do so, we will provide such other taxation ad hoc and advisory services in relation to P11D benefits as may be agreed from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
- dealing with any compliance check or enquiry by HMRC into the benefits-in-kind returns submitted;
  - preparing any amended returns which may be required and corresponding with HMRC as necessary;
  - advising on PAYE settlement arrangements and/or approved expenses scale rates; and
  - conducting PAYE and benefits and expenses health checks.
- 2.3 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

## SUBCONTRACTORS CIS – client operated for online submission by firm

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the operation of the Construction Industry Scheme (CIS) for the subcontractors, and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

1.1 Before a payment can be made by a contractor to a subcontractor for construction work, the contractor must check whether the subcontractor is registered with HMRC. You will be responsible for carrying out verification procedures with HMRC for the subcontractors you use and providing us with the verification reference numbers given to you by HMRC for verified subcontractors. You will confirm for each subcontractor whether HMRC have advised that the subcontractor is registered with them and whether payment should be made gross, after deduction of tax at the standard rate, or after deduction of tax at the higher rate.

It is important to note that verification procedures must be carried out before any payment is made to the subcontractor. They can however carry out work prior to verification.

You will provide us with the verification reference for subcontractors paid before the date of this letter, along with the deduction rate as advised by HMRC. You must also verify subcontractors whom you have used before but who have not been included on a CIS return in the current or last two tax years.

1.2 If you receive a notice of change from HMRC with regard to a change in deduction status for one of your subcontractors you undertake to forward it to us immediately. We will not be responsible for failure to effect a change where we do not receive the notice in time.

1.3 We will advise you of the net payment and deduction amounts for each subcontractor. In order for us to do this you will provide us with the following by the day of each month stated in **Key Facts**:

- (a) the amount of gross payment (excluding VAT) due to each subcontractor.
- (b) the amount of own materials cost included within the gross payment. In providing this to us you confirm that you have either obtained direct confirmation from the subcontractor of the amount or you consider the amount not to be excessive.

1.4 You will be responsible for preparing the statements of deduction to support each payment and providing them to each of your subcontractors electronically where both the contractor and subcontractor agree to this or by hard copy by the 19<sup>th</sup> of the month following payment.

1.5 You will maintain the record of payments as required by HMRC.

1.6 You will be responsible for confirming the self-employment status of all your subcontractors. We will ask you for written confirmation of this prior to confirming the monthly return, including the status declaration, on your behalf. The information for verifying subcontractor status must be delivered to HMRC electronically. We can provide advice on a case by case basis, should you so require.

1.7 If relevant, we will apply for authority using the online agent authorisation procedure (see 2.5 below). This will result in you being sent an authorisation code by HMRC. Once you receive this it needs to be provided to us to complete the registration.

### 2 Our responsibilities as accountants

2.1 We will calculate and advise you of the net payment and deduction amounts for each subcontractor, subject to the terms of paragraph 1.3 above.

2.2 On the basis of the above calculations, we will complete the HMRC monthly returns on your behalf electronically. The monthly returns are due by the 19<sup>th</sup> of each month. Failure to meet this deadline will result in financial penalties being levied, for which you will remain liable. Returns are not mandatory where no subcontractors have been paid since the last return,

However, HMRC will still issue a penalty notice if a return is not received by the due date which will have to be appealed. To avoid this, we will complete nil returns on your behalf where no subcontractors have been paid since the last return.

- 2.3 We will send you a copy of the monthly return submitted on your behalf.
- 2.4 We will calculate and advise you of the amount of tax deducted from your subcontractors that you must pay over to HMRC each month. Note that payments need to reach HMRC by the 19<sup>th</sup> of the month following payment for postal payments and by the 22<sup>nd</sup> where electronic payment methods are used. Interest and penalties may be charged where payments are made late.
- 2.5 We will submit your CIS information online where possible. Accordingly, we will apply for authority using the online agent authorisation procedure. We may also write to HMRC to ensure that we are provided with all paper CIS output. HMRC do sometimes overlook the authority to send information to us and therefore you should always send us the originals or copies of all communication you receive from them.

## SUBCONTRACTORS CIS – firm operated

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the operation of the Construction Industry Scheme (CIS) for the subcontractors, and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

1.1 We will carry out verification procedures with HMRC for any new subcontractors you use. To enable us to do this you will provide us with the following once a contract has been signed or a tender agreed:

- where the subcontractor is a sole trader you will provide their full name, unique tax reference (UTR) and national insurance number;
- where the subcontractor is a partnership you will provide the firm's name and unique tax reference, as well as the individual partner's name, unique tax reference (UTR), and national insurance number. If the partner is a company you will provide the company's unique tax reference (UTR) and registration number; and
- where the subcontractor is a limited company you will provide the company's name, unique tax reference (UTR) and the company registration number.

It is important to note that verification procedures must be carried out before any payment can be made to the subcontractor. They can however carry out work prior to verification.

You will provide us with the verification reference number for subcontractors paid before the date of this letter, along with the deduction rate as advised by HMRC. You must also verify subcontractors you have used before but have not included on a CIS return in the current or last two tax years. If you wish us to do this on your behalf, please confirm this in writing and provide the information for each subcontractor as set out in 1.1 above.

1.2 If you receive a notice of change from HMRC with regard to a change in deduction status for one of your subcontractors you undertake to forward it to us immediately. We will not be responsible for failure to effect a change where we do not receive the notice in time.

1.3 We will advise you of the net payment and deduction amounts for each subcontractor. In order for us to do this you will provide us with the following by the day of each month stated in **Key Facts**:

- (a) the amount of gross payment (excluding VAT) due to each subcontractor.
- (b) the amount of own materials cost included within the gross payment. In providing this to us you confirm that you have either obtained direct confirmation from the subcontractor of the amount or you consider the amount not to be excessive.

1.4 You will provide to each of your subcontractors by the 19<sup>th</sup> of the month following payment the written statements of deductions (which we will provide – see 2.5 below) to support each payment.

1.5 You will be responsible for confirming the self-employment status of all your subcontractors prior to making payment to them. We will ask you for written confirmation of this prior to signing/confirming the monthly return, including the status declaration, on your behalf. We can provide advice on a case by case basis, should you so require.

1.6 We will apply for authority using the online agent authorisation procedure (see 2.8 below). This will result in you being sent an authorisation code by HMRC. Once you receive this it needs to be provided to us to complete the registration.

### 2 Our responsibilities as accountants

2.1 We will carry out verification procedures with HMRC for any new subcontractors you use, subject to the terms of paragraph 1.1 above.

2.2 We will calculate and advise you of the net payment and deduction amounts for each subcontractor, subject to the terms of paragraph 1.3 above.

- 2.3 On the basis of the above calculations, we will complete the HMRC monthly returns on your behalf electronically. The monthly returns are due by the 19<sup>th</sup> of each month. Failure to meet this deadline will result in financial penalties being levied, which you remain liable for. Returns are not mandatory where no subcontractors have been paid since the last return. However, HMRC will still issue a penalty notice if a return is not received by the due date which will have to be appealed. To avoid this, we will complete nil returns on your behalf where no subcontractors have been paid since the last return.
- 2.4 We will compile the monthly return as your agent and submit it electronically, based on the information provided by you. We will provide you with a summary of the declared information and it is your responsibility to inform us without delay if you believe an error has been made.
- 2.5 We will prepare written statements of deduction to support each payment, which you will provide to each of your subcontractors by the 19<sup>th</sup> of the month following payment (see 1.4 above).
- 2.6 We will maintain the record of payments as required by HMRC.
- 2.7 We will calculate and advise you of the amount of tax deducted from your subcontractors that you need to pay over to HMRC each month. Note that payments need to reach HMRC by the 19<sup>th</sup> of the month following payment for postal payments and by the 22<sup>nd</sup> where electronic payment methods are used. Interest and penalties may be charged where payments are made late.
- 2.8 We will apply for authority using the online agent authorisation procedure. We will submit your CIS information online where possible. HMRC do sometimes overlook the authority to send information to us and therefore you should always send us the originals or copies of all communication you receive from them.

## VAT

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to Value Added Tax and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

1.1 You are legally responsible for:

- (a) ensuring that your returns are correct and complete, and that the digital format captures the appropriate level of data;
- (b) ensuring that digital VAT records are kept in functional compatible software as required by HM Revenue & Customs (HMRC);
- (c) filing any returns by the due date; and
- (d) paying tax on time.

Failure to do so may lead to penalties, interest and default surcharges.

If you have an exemption from MTD or online filing and submit a paper VAT return, although it is possible under the VAT rules for you to delegate signing the return to us, it is our policy not to accept such a delegation.

1.2 You are entirely responsible for paying any VAT, including interest, surcharges or other penalties. We will advise you of the amounts due for payment and the due dates; however, it is your responsibility to arrange and make the payment. Please note that penalties and interest may apply where payments are not made by the due date.

1.3 Where we are keeping your digital records (as specified in **Key Facts**), you are responsible for providing us with the following information required for us to prepare the return:

- (a) sales invoice;
- (b) purchase invoices;
- (c) bank statements;
- (d) details of bank and cash receipts and payments;
- (e) stock and work-in-progress details;
- (f) access to your accounting records;
- (g) any other information as agreed separately in writing.

1.4 To enable us to carry out our work you agree:

- (a) that all returns are to be made on the basis of full disclosure;
- (b) that you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete. The VAT returns are prepared/reviewed solely on the basis of the information provided by you and we accept no responsibility for any VAT liabilities arising due to inaccuracies or omissions in the information you provide which may lead to a misdeclaration on which penalties and interest may arise;
- (c) If you require us to upload your VAT return calculations in accordance with the MTD requirements you must provide us with digital records, in a format which is compliant with the law and our systems, together with confirmation that your digital records are complete and accurate. If your software is incompatible with ours, we will agree with you an appropriate solution, and an additional fee may be required.
- (d) that we can approach such third parties as may be appropriate for information we consider necessary to deal with the VAT returns;
- (e) to provide us with all the records relevant to the preparation of your VAT returns as soon as possible after the return period ends. We would ordinarily need, as stated in **Key Facts**, a minimum number of days before submission to complete our work. If the

records are provided later or are incomplete or unclear thereby delaying the preparation/review and submission of the VAT return, we accept no responsibility for any penalties or interest that may arise. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee for so doing; and

- (f) to check that returns that we have prepared for you are complete before approving them.
- 1.5 You will keep us informed of material changes in circumstances that could affect the tax liabilities of the entity. If you are unsure whether the change is material please let us know so that we can assess the significance or otherwise.
- 1.6 You will need to authorise us as an agent on the HMRC portal using your Business Tax Account (if we are not already authorised). This is completed online and you will need your Government Gateway ID. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 1.7 You will forward to us all relevant HMRC VAT correspondence in time to enable us to deal with matters arising as may be necessary within the statutory time limits. Although HMRC has the authority to communicate with us when form 64-8 or online authorisation has been submitted, it is essential that you let us have copies of any correspondence received, because HMRC is not obliged to send us copies of all communications issued to you and, in most cases, will not do so.
- 1.8 You are responsible for bringing to our attention any errors, omissions or inaccuracies in your VAT returns which you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.
- 1.9 If you are involved with any other business which is not registered for VAT you are responsible for monitoring your turnover to establish whether you are liable to register for VAT. If you exceed a VAT registration threshold, and wish us to assist you in notifying HMRC of the requirement to be VAT registered, you must give us clear instructions to assist you in the VAT registration process. You should notify us of your instructions in good time to enable the VAT registration application form to be submitted within the statutory time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.
- 1.10 If you provide digital or any other services to consumers in the EU, then you are responsible either for registering for VAT in the Member State in which the supply takes place, or for registering for the OSS (non-Union scheme).
- 1.11 If you import goods from third countries into the EU of a value not exceeding €150 (excluding certain goods) for sale to a non-taxable person in the EU (destination country), you can use the IOSS scheme. The IOSS can also be used for supplies from GB of low value goods to consumers in Northern Ireland.
- 1.12 If you supply goods to non-taxable persons within the EU (e.g. France to Germany) then you will have to register in the Member State of destination (there is no de minimis threshold) or use one of the OSS schemes (either the Union or non Union scheme depending on circumstances). There may be other circumstances where the Union or non-Union OSS can be used, such as domestic supplies of goods by deemed suppliers. In general terms, however, if you do not fall within the criteria for OSS registration then you may need to VAT-register in the Member State in which you make the supply of the goods or services.

## 2 Our responsibilities as accountants

- 2.1 If you are not yet registered, we will register you for MTD for VAT. By instructing us to sign up on your behalf, you are agreeing to HMRC's terms of participation. This may result in certain changes that may include changes to deadlines. You will need to complete HMRC's sign-up process to enable submission of your tax return.
- 2.2 If stated in **Key Facts**, we will keep all accounting records to meet the digital record keeping requirements of MTD for VAT. You must ensure that the data provided to us is complete and accurate.
- 2.3 If stated in **Key Facts**, you are keeping the digital records required for MTD, we will not check these for completeness and accuracy.

- 2.4 We will advise you of any relaxations applicable in relation to the digital records for supplies made and received.
- 2.5 We will prepare/review your UK VAT returns/Intrastat returns/Union OSS returns, where applicable, on the basis of the documents, information and explanations supplied by you.
- 2.6 We will tell you how much you should pay and when. If appropriate we will initiate repayment claims where tax has been overpaid. We will advise on the interest, penalty and default surcharge implications if UK VAT is paid late.
- 2.7 Where appropriate we will include VAT from any digital import certificates (postponed VAT accounting) and/or C79s we receive from you.
- 2.8 Where appropriate we will calculate the partial exemption annual adjustment.
- 2.9 Where appropriate we will calculate the annual Capital Goods Scheme adjustment.
- 2.10 We will forward to you the completed return calculations for you to review, before you approve the UK VAT return for onward transmission to HMRC by the party stated in **Key Facts**.
- 2.11 You authorise us to file the return electronically once we have received your approval of the figures. When we submit the return, whether it is submitted online or using the MTD compliant software, we are doing this on your behalf as your agent. We will not submit the return until we have received confirmation from you that you have reviewed the entries to be made on the return and that you consider the return to be complete, accurate and ready for online submission. We will agree with you any supplementary information to be submitted on a voluntary basis with the MTD returns prior to submission.
- 2.12 Where you are invoice (accruals) accounting for income tax, we will perform an annual reconciliation of VAT outputs to turnover.
- 2.13 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation ad hoc advisory services in relation to VAT as may be agreed from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for this work when it is commissioned by you. Examples of such work include:
- reconciling VAT outputs with turnover;
  - reviewing and advising a suitable partial exemption method to use in preparing the return;
  - dealing with all communications relating to your returns addressed to us by HMRC or passed to us by you;
  - processing import and export declarations including deferred import entries that require postponed VAT accounting (at present we assume that these are handled by you or your customs agent);
  - dealing with any enquiry opened into the VAT returns by HMRC;
  - making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT;
  - making recommendations to you about the use of the VAT One Stop Shop (OSS) Union or non-Union schemes and/or the VAT Import One Stop Shop (IOSS) if you supply relevant services or goods to consumers in the EU;
  - providing advice on the VAT liability of supplies of goods or services to consumers outside Great Britain;
  - if you are a Northern Irish business trading under the Northern Ireland Protocol, assisting with the filing of Intrastat supplementary declarations and EC Sales Lists as appropriate;
  - conducting VAT health checks;
  - providing you with advice on VAT, Excise Duty, Customs Duty, Landfill Tax, Insurance Premium Tax, Aggregates Levy and Climate Change Levy as and when requested; and
  - advising on ad hoc transactions; and
  - reviewing your record keeping processes and providing advice on potential improvements to enable compliance with the MTD for VAT requirements, including digital links for the transfer of data between different software.

Where the advice is provided in writing, the information that you have provided to us and the query raised will be set out with our response to you.

- 2.14 Where specialist advice is required in certain areas we may need to seek this from or refer you to appropriate specialists.

## PERSONAL TAX (INDIVIDUAL, SOLE TRADER & COUPLES)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your personal tax affairs, including any sole trade, property business or share or any partnership profit or loss, as applicable, and to clarify our respective responsibilities in respect of that work.

This contract for our services to you was agreed as stated in **Key Facts**, which also specifies whether the *Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013* (SI 2013/3134) (Consumer Contracts Regulations 2013) apply. The cancellation rights given to consumers under the Consumer Contracts Regulations 2013 are detailed in our cover letter.

**Key Facts** specifies whether or not the firm is licensed or authorised for non-contentious probate services and consequently whether there is access to the Legal Ombudsman and a relevant Probate Compensation Scheme. If the firm is not licensed or authorised for probate then there is no such access to the Scheme or Ombudsman.

### 1 Your responsibilities

1.1 You are legally responsible for:

- a) ensuring that all filings, submissions and your self-assessment tax returns, including, for example, any returns for CGT on UK residential property or UK land, as appropriate, are correct and complete;
- b) filing any returns by the due date; and
- c) making payment of tax on time. Failure to do this may lead to penalties, surcharges and/or interest.

1.2 Legal responsibility for approval of returns cannot be delegated to others. You agree to check that returns we have prepared for you are correct and complete before approving them.

1.3 You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.

1.4 You authorise us to file your tax return online.

1.5 To enable us to carry out our work you agree:

- (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- (b) to provide all information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to keep us informed of any specific conditions that have been imposed on you by HMRC – for example: to provide more detailed accounts or to have a qualified accountant prepare your tax returns and/or certify that they are accurate;
- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- (e) to inform us in advance of any planned UK residential property sales and provide us with the information we require such as associated costs and valuations, to ensure that any capital gains tax liability can be calculated and reported to HMRC within 60 days of completion of the disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of all UK property disposals, included disposals of shares in property rich companies, must be advised prior to exchange of contracts on any property disposal.

It is your responsibility to pay any capital gains tax due to HMRC by this 60 day deadline; and

- (f) to provide us with information in sufficient time for your tax return to be completed and submitted by the due date following the end of the tax year. To do this, we need to receive all relevant information by the date stated in **Key Facts**. If for any reason we do not receive all relevant information by this date we may, at our discretion and depending on our work capacity, still endeavour to complete your tax return so that it can be submitted on time. We reserve the right to make an additional charge for such rush work and will advise you of the amount prior to carrying out the work.
- 1.6 You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material please let us know so that we can assess the significance.
- In particular, you may be liable to a 'high income child benefit charge' if, at any time during a tax year, you are entitled to child benefit or you have a partner who is entitled to child benefit. Please note that, for this purpose, 'partner' is wide ranging and includes not only spouses and civil partners (who are not separated) but a person (male or female) with whom you are living together as husband and wife or as civil partners. Where this applies, you will keep us informed of child benefit entitlement amounts and, where applicable, any changes to your relationship status with your partner.
- 1.7 HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs
- 1.8 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us, if relevant through the form 64-8, it is essential that you let us have copies of any correspondence received from HMRC because HMRC are not obliged to send us copies of all communications issued to you.
- 1.9 If a sole trader, you are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If you do not understand what you need to do, please ask us. If you exceed the UK VAT registration threshold and you wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which you exceed the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty.
- 1.10 In certain circumstances there can be obligations to register for VAT, or similar turnover taxes, in non-UK countries including the Member States of the European Union. While we may, in some circumstances, be able to assist with questions relating to the VAT systems of non-UK countries and would encourage you to ask us for assistance, all advice in relation to non-UK tax systems should be confirmed with an appropriate specialist in that country's rules. We will not be responsible for any failure to comply with the tax rules of a non-UK country.
- 1.11 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (final destination of the goods being within the EU), the OSS can be used by both EU and non-EU established suppliers. If you are importing goods into the EU to be supplied to non-taxable persons but do not or cannot use the OSS then you will probably have to VAT register in the Member State of importation.
- 1.12 If you are making distance supplies of goods within the EU, e.g. France to Germany (B2C), you can use the Union One Stop Shop (OSS). The non-Union OSS can be used for any services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C again).
- 1.13 There may be other circumstances where the Union or non-Union OSS can be used, e.g. domestic supplies of goods by deemed suppliers, but, broadly, If you are not within any of the above, you may need to VAT-register in the Member State in which you make the supply of the goods or services.

- 1.14 You are also responsible for employment taxes, pensions (including auto-enrolment) and assessment of the employment status of your workers, including domestic staff. If your business is not small, then you are also responsible for assessing the employment status of any contractors providing personal services to your business via intermediaries under the off-payroll working (IR35) rules, as well as being responsible for employment taxes if they are deemed employees. If you do not understand what you need to consider or what action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

## 2 Our responsibilities as accountants

- 2.1 Where you carry on business as a sole trader, we will compute the profit or loss of this business on a cash or accruals basis as relevant (depending on whether an accruals election has been made). The profit from accounts prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. We will prepare the income tax computations based on the accounts of your business from the accounting records and other information and explanations provided by you. We will advise you as to the adequacy of your records for this purpose.
- 2.2 Where you have property letting income, we will compute this income and expenditure on a cash or accruals basis as relevant, from the books, accounting records and other information and explanations provided to us by you or by others on your behalf.
- 2.3 We will prepare your self assessment tax return (including if you have been treated as a deemed employee under the intermediaries or off-payroll working (IR35) rules) together with such supplementary pages that are required from the information and explanations that you provide to us.
- 2.4 Once we have obtained your evidenced approval, we will submit your returns to HMRC.
- 2.5 We will either calculate or check HMRC's calculation of your income tax, national insurance contributions (NICs), and any capital gains tax liabilities and tell you how much you should pay and when. We will advise on the interest and penalty implications if tax or NICs are paid late. If appropriate we will initiate repayment claims when tax or NICs have been overpaid.
- 2.6 Based on information you provide to us, we will calculate the capital gains tax liability on the disposal of any qualifying residential property, and will report this to HMRC, as well as informing you how much you should pay and by when.
- 2.7 With the exception of tax credits and universal credit (see Schedule 6.10 if relevant) we will advise you on possible claims and elections arising from the tax returns and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 2.8 We will deal with all communications relating to your returns addressed to us by HMRC or passed to us by you. However, if HMRC choose any of your returns for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.
- 2.9 We will check PAYE notices of coding where such notices are forwarded to us and advise accordingly.
- 2.10 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.
- 2.11 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of such work would include:
- advising on the extraction of cash/dividends from your personal service company if you have been treated as a deemed employee under the intermediaries or off-payroll working (IR35) rules;
  - advising on ad hoc transactions, for example pre-sale advice on the sale of assets;

- advising on preparing business accounts on the cash basis and/or property letting income and expenditure computation on the accruals basis and helping you to make the requisite election(s);
  - advising on making tax digital for income tax self-assessment (MTD for ITSA), which requires digital accounting records and the submission of quarterly updates and annual returns to HMRC using compatible software. MTD for ITSA will be mandatory for many taxpayers with income from self-employment and / or property, with the first taxpayers required to use it from 6 April 2026, and others being brought into the system annually thereafter;
  - advising on whether you should change your business accounting year end to align with the tax year end and if so helping you to make the transition including claiming overlap relief;
  - advising on the in-year capital gains tax (CGT) reporting requirements on disposals of UK residential property and, if you are non-UK resident, have UK non-residential property and investments in property-rich entities, preparing the in-year return and calculating the CGT due where required and submitting the return to HMRC;
  - dealing with any enquiry opened into any of your tax returns by HMRC;
  - advising on whether trusts – including any non-taxable trusts – should be registered on HMRC’s trust registration service;
  - advising on tax credits and universal credit, in effect social security benefit, your entitlement to which depending not only on your own circumstances but also on those of your household, and therefore we would require all relevant information to advise in this area;
  - preparing any amended returns that may be required and corresponding with HMRC as necessary; and
  - advising on the rules relating to, and assisting with registration for VAT or equivalent non-UK taxes.
- 2.12 Since 2013, a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm’s policy on tax avoidance.
- 2.13 Where specialist advice is required we may need to seek this from or refer you to appropriate specialists.
- 2.14 If relevant, it is our policy to confirm in writing advice upon which you may wish to rely.
- 2.15 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or in your circumstances.
- 2.16 We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

***You and your spouse/partner if relevant (see Key Facts)***

- 3.1 We will advise you and your spouse/partner on the basis that you are a family unit. On this basis you both agree that in all matters relating to you or your spouse’s/partner’s tax and financial affairs we may deal directly with either of you, and we may discuss with either of you the tax liabilities and/or financial affairs of the other. If you wish to make any changes to these arrangements at any time then please let us know.
- 3.2 In order for us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest should arise between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.

## PERSONAL TAX (INDIVIDUAL, SOLE TRADER & COUPLES IN MTD FOR ITSA)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your personal tax affairs under the MTD for ITSA regime, including your sole trade and/or property business, as applicable, and to clarify our respective responsibilities in respect of that work.

This contract for our services to you was agreed as stated in **Key Facts**, which also specifies whether the *Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013* (SI 2013/3134) (Consumer Contracts Regulations 2013) apply. The cancellation rights given to consumers under the Consumer Contracts Regulations 2013 are detailed in our cover letter.

**Key Facts** specifies whether or not the firm is licensed or authorised for non-contentious probate services and consequently whether there is access to the Legal Ombudsman and a relevant Probate Compensation Scheme. If the firm is not licensed or authorised for probate then there is no such access to the Scheme or Ombudsman.

### 1 Your responsibilities

1.1 The responsibilities for maintaining digital accounting records are set out in **Key Facts**. Where you are responsible for maintaining digital accounting records, you will prepare these records in a digital format that is compatible with MTD for ITSA.

Where we are responsible for maintaining your digital accounting records, you will provide us with complete and accurate information and explanations to maintain your digital accounting records.

1.2 You are legally responsible for:

- a) ensuring that all filings, submissions and returns, including those for MTD for ITSA and any others, for example any returns for CGT on UK residential property or UK land, as appropriate, are correct and complete;
- b) returns and filings, including MTD for ITSA obligations such as quarterly updates and the annual tax return, and other returns which may be required, by the due date; and
- c) making payment of tax on time. Failure to do this may lead to penalties, surcharges and/or interest

Legal responsibility for approval of the MTD for ITSA filings (quarterly updates and tax return) and other returns cannot be delegated to others. You agree to check that returns and quarterly updates we have prepared for you are correct and complete before approving them.

You are no less responsible for errors in unapproved quarterly updates and tax returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the quarterly updates and tax returns.

1.3 Under MTD for ITSA, it is possible for you to appoint more than one agent. As well as the main agent, you may if you wish appoint one or more supporting agents, to assist you with certain parts of your MTD for ITSA responsibilities. You will let us know if you decide to appoint more than one MTD for ITSA agent, and you will ensure that we, and any other agents, understand how you have allocated tasks between us, and who your main agent is. You will also ensure that information is shared as necessary between your agents, and will keep us informed of any changes in your agents or allocation of tasks. Unless you advise us to the contrary, we will assume that we are your sole agents for MTD for ITSA, and we have been appointed as main, rather than supporting, agent.

1.4 You authorise us to file your quarterly updates and tax return online.

1.5 To enable us to carry out our work you agree:

- (a) that all quarterly updates and returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- (b) to provide all information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) to keep us informed of any specific conditions that have been imposed on you by HMRC – for example: to provide more detailed accounts or to have a qualified accountant prepare your tax returns and/or certify that they are accurate;
- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- (e) to inform us in advance of any planned UK residential property sales and provide us with the information we require such as associated costs and valuations, to ensure that any capital gains tax liability can be calculated and reported to HMRC within 60 days of completion of the disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of all UK property disposals, included disposals of shares in property rich companies, must be advised prior to exchange of contracts on any property disposal.

It is your responsibility to pay any capital gains tax due to HMRC by this 60 day deadline; and

- (f) to provide us with information in sufficient time for your year end tax return to be completed and submitted by the due date following the end of the tax year and for your quarterly MTD updates to be completed and submitted by the due date following the quarter end. To do this, we need to receive all relevant information by the date stated in **Key Facts**. If for any reason we do not receive all relevant information by this date we may, at our discretion and depending on our work capacity, still endeavour to complete your quarterly updates and tax return so that it can be submitted on time. We reserve the right to make an additional charge for such rush work and will advise you of the amount prior to carrying out the work.

- 1.6 You will keep us informed of material changes in your circumstances that could affect your tax liability or eligibility to use the MTD for ITSA regime. If you are unsure whether the change is material please let us know so that we can assess the significance.

In particular, you may be liable to a 'high income child benefit charge' if, at any time during a tax year, you are entitled to child benefit or you have a partner who is entitled to child benefit. Please note that, for this purpose, 'partner' is wide ranging and includes not only spouses and civil partners (who are not separated) but a person (male or female) with whom you are living together as husband and wife or as civil partners. Where this applies, you will keep us informed of child benefit entitlement amounts and, where applicable, any changes to your relationship status with your partner.

- 1.7 HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your main agent with HMRC. This authorises HMRC to communicate with us as your main agent, although they consider that you should still take 'reasonable care' over your tax affairs

- 1.8 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us, if relevant through the form 64-8, it is essential that you let us have copies of any correspondence received from HMRC because HMRC are not obliged to send us copies of all communications issued to you.

- 1.8 If a sole trader, you are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If you do not understand what you need to do, please ask us. If you exceed the UK VAT registration threshold and you wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month

following the month in which you exceed the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty.

- 1.9 In certain circumstances there can be obligations to register for VAT, or similar turnover taxes, in non-UK countries including the Member States of the European Union. While we may, in some circumstances, be able to assist with questions relating to the VAT systems of non-UK countries and would encourage you to ask us for assistance, all advice in relation to non-UK tax systems should be confirmed with an appropriate specialist in that country's rules. We will not be responsible for any failure to comply with the tax rules of a non-UK country.
- 1.10 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (final destination of the goods being within the EU), the OSS can be used by both EU and non-EU established suppliers. If you are importing goods into the EU to be supplied to non-taxable persons but do not or cannot use the OSS then you will probably have to VAT register in the Member State of importation.
- 1.11 If you are making distance supplies of goods within the EU, e.g. France to Germany (B2C), you can use the Union One Stop Shop (OSS). The non-Union OSS can be used for any services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C again).
- 1.12 There may be other circumstances where the Union or non-Union OSS can be used, e.g. domestic supplies of goods by deemed suppliers, but, broadly, If you are not within any of the above, you may need to VAT-register in the Member State in which you make the supply of the goods or services.
- 1.13 You are also responsible for employment taxes, pensions (including auto-enrolment) and assessment of the employment status of your workers, including domestic staff. If your business is not small, then you are also responsible for assessing the employment status of any contractors providing personal services to your business via intermediaries under the off-payroll working (IR35) rules, as well as being responsible for employment taxes if they are deemed employees. If you do not understand what you need to consider or what action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

## 2 Our responsibilities as accountants

- 2.1 The responsibilities for maintaining digital accounting records are set out in **Key Facts**.  
Where we are responsible for maintaining your digital accounting records, we will prepare your records in a format that is compatible with MTD for ITSA. The accounting records will be prepared based on the information and explanations provided by you.  
Where you or another agent are responsible for preparing your digital accounting records, we will prepare your accounts, quarterly MTD updates and tax returns based on the accounting records you have prepared.
- 2.2 Where you carry on business as a sole trader, we will compute the profit or loss of this business on a cash or accruals basis as relevant (depending on whether an accruals election has been made). The profit from accounts prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. We will prepare the income tax computations based on the accounts of your business from the accounting records and other information and explanations provided by you. We will advise you as to the adequacy of your records for this purpose.
- 2.3 Where you have property letting income, we will compute this income and expenditure on a cash or accruals basis as relevant, from the books, accounting records and other information and explanations provided to us by you or by others on your behalf.
- 2.4 We will prepare your tax return (including if you have been treated as a deemed employee under the intermediaries or off-payroll working (IR35) rules) together with such supplementary pages that are required from the information and explanations that you provide to us.

- 2.5 Once we have obtained your evidenced approval, we will submit your quarterly updates and annual tax returns to HMRC.
- 2.6 If we are responsible for preparing your tax return, we will ensure that the calculation of your tax liability for the year, as prepared by MTD for ITSA software, is correct based on the information supplied to us by you and / or another party acting on your behalf. We will also check any calculations issued by HMRC of your income tax, national insurance contributions (NICs), and any capital gains tax liabilities and tell you how much you should pay and when. We will advise on the interest and penalty implications if tax or NICs are paid late. If appropriate we will initiate repayment claims when tax or NICs have been overpaid.
- 2.7 Based on information you provide to us, we will calculate the capital gains tax liability on the disposal of any qualifying residential property, and will report this to HMRC, as well as informing you how much you should pay and by when.
- 2.8 With the exception of tax credits and universal credit (see Schedule **6.10** if relevant) we will advise you on possible claims and elections arising from the tax returns and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 2.9 We will deal with all communications relating to your returns addressed to us by HMRC or passed to us by you. However, if HMRC choose any of your returns for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.
- 2.10 We will check PAYE notices of coding where such notices are forwarded to us and advise accordingly.
- 2.11 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.
- 2.12 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of such work would include:
- advising on the extraction of cash/dividends from your personal service company if you have been treated as a deemed employee under the intermediaries or off-payroll working (IR35) rules;
  - advising on ad hoc transactions, for example pre-sale advice on the sale of assets;
  - advising on preparing business accounts on the cash basis and/or property letting income and expenditure computation on the accruals basis and helping you to make the requisite election(s);
  - advising on whether you should change your business accounting year end to align with the tax year end and if so helping you to make the transition including claiming overlap relief;
  - advising on the in-year capital gains tax (CGT) reporting requirements on disposals of UK residential property and, if you are non-UK resident, have UK non-residential property and investments in property-rich entities, preparing the in-year return and calculating the CGT due where required and submitting the return to HMRC;
  - dealing with any enquiry opened into any of your tax returns by HMRC;
  - advising on whether trusts – including any non-taxable trusts – should be registered on HMRC’s trust registration service;
  - advising on tax credits and universal credit, in effect social security benefit, your entitlement to which depending not only on your own circumstances but also on those of your household, and therefore we would require all relevant information to advise in this area;
  - preparing any amended returns that may be required and corresponding with HMRC as necessary;
  - advising on the rules relating to, and assisting with registration for VAT or equivalent non-UK taxes; and
  - advising on eligibility to participate in MTD for ITSA.

- 2.13 Since 2013, a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
- 2.14 Where specialist advice is required we may need to seek this from or refer you to appropriate specialists.
- 2.15 If relevant, it is our policy to confirm in writing advice upon which you may wish to rely.
- 2.16 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or in your circumstances.
- 2.17 We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

***You and your spouse/partner if relevant (see Key Facts)***

- 3.1 We will advise you and your spouse/partner on the basis that you are a family unit. On this basis you both agree that in all matters relating to you or your spouse's/partner's tax and financial affairs we may deal directly with either of you, and we may discuss with either of you the tax liabilities and/or financial affairs of the other. If you wish to make any changes to these arrangements at any time then please let us know.
- 3.2 In order for us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest should arise between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.]

## PERSONAL TAX CREDITS

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your personal tax credit affairs and to clarify our respective responsibilities in respect of that work.

This contract for our services to you was agreed as stated in **Key Facts**, which also specifies whether the *Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013* (SI 2013/3134) (Consumer Contracts Regulations 2013) apply.

As you fall within the legal definition of a consumer, the location where our contract was made or the communication method used in making the contract may mean that you have a right to cancel our contract within a set cancellation period under the Consumer Contracts Regulations 2013. If so, we provided you with a written notice of these rights and the set cancellation period at our meeting.

Because of the requirements of the Consumer Contracts Regulations 2013, it is our policy to not commence any work for you until the set cancellation period has expired, or we have received from you your express written agreement for us to start early.

In providing you with this schedule, our standard terms of business and, where applicable, the written notice of your right to cancel, we have complied with the provisions of regulations 9 to 14 and 16 of the Consumer Contracts Regulations 2013, as applicable.

Where the contract was agreed at our business premises then cancellation rights given to consumers under the Consumer Contracts Regulations 2013 do not apply.

### 1 Your responsibilities

1.1 You are legally responsible for:

- (a) Ensuring that all documents and information submitted to HMRC are correct, complete and on time; and
- (b) Ensuring that HMRC are informed promptly of any changes in your income or circumstances, or of any errors or omissions in any document sent to you by HMRC.

Failure to do this may lead to or exacerbate an overpayment, and may in certain cases give rise to penalties, and/or interest.

Legal responsibility for claims, renewals and other forms cannot be delegated to others. You agree to check that documents that we have prepared for you are complete before you approve them.

You are no less responsible for errors in unapproved claims, renewals and other forms, submitted on the basis of information provided to and processed by us, than if you had confirmed your approval of the claims, renewals and other forms.

1.2 If stated in **Key Facts**, you will be responsible for informing HMRC of any changes in circumstances during the year for which notification is mandatory (which generally must be done within 30 days of the change).

1.3 To enable us to carry out our work you agree:

- (a) That all claims and renewals are to be made on the basis of full disclosure of your income and circumstances;
- (b) To provide full information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;

- (d) To provide us with information in sufficient time for your renewal forms to be completed and submitted by the due date following the end of the tax year. To do this, we need to receive all relevant information by the date specified in **Key Facts**.
  - (e) To provide us with information about changes of circumstance which must be reported to HMRC as soon as possible and in any event within sufficient time for us to tell HMRC within 30 days of the change. The changes which must be notified are listed at <https://www.gov.uk/changes-affect-tax-credits> (paper copy available on request).
- 1.4 You will keep us informed of material changes in your circumstances that could affect your tax credit entitlement. If you are unsure whether the change is material or not please let us know so that we can assess the significance. In particular, it is recommended that a record of working hours is maintained.
- 1.5 You will forward to us HMRC notices, statements of account, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC have the authority to communicate with us through the form 64-8, it is essential that you let us have copies of any correspondence received because HMRC are not obliged to send us copies of communications issued to you and in most cases will not do so. You should also keep a note of any telephone communication you have with HMRC' tax credits helpline, including the date and time of the call, and the name of the helpline operator(s).

## 2 Our responsibilities as accountants

- 2.1 We will prepare your tax credit annual declaration (TC603D) from the information and explanations that you provide to us. After obtaining your approval and signature, we will submit your completed forms to HMRC.
- 2.2 We will calculate your entitlement to tax credits and check your tax credit award notices (TC602) and annual review (TC603R) on the basis of the information you have given us. We will advise you of any errors or omissions on the face of these documents and agree what action should be taken to inform HMRC.
- 2.3 If stated in **Key Facts**, we will inform HMRC on your behalf of any changes in circumstances during the year for which notification is mandatory (which generally must be done within 30 days of the change).
- 2.4 If instructed, we will deal with HMRC by telephone on any aspect of your tax credits affairs.
- 2.5 When your tax credit claim ends, we will help you prepare the forms and other paperwork which is expected by HMRC from the information and explanations you give us. After obtaining your approval and signature, we will submit the completed forms to HMRC.
- 2.6 Where you have instructed us to do so, we will provide such other tax credits ad hoc and advisory services as may be agreed between us from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work that we will not undertake unless you instruct us include:
- Advising you on your eligibility for working tax credit and/or child tax credit based on the information you give us about your household circumstances;
  - advising you of any possible claims or reliefs or other planning measures that may have a bearing on your tax credits entitlement including, but not limited to, gift aid, pension contributions, and trading loss reliefs;
  - explaining to you what you must report to HMRC, including the time limits for doing so, and what it would be in your interests to report to HMRC (but not obligatory for you to do);
  - assisting you with any tax credit examinations or enquiries raised by HMRC, or with any other communications with HMRC regarding your entitlement;
  - advising you on the implications that any changes to your tax credit award might have for other aspects of your tax affairs;
  - advising you on, and helping you claim, universal credit or other social security benefits; and
  - in general, when considering your tax affairs, advising you of the tax credit implications of any proposed course of action.

- 2.7 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

***You and your spouse/partner, if relevant (see Key Facts)***

- 3.1 A couple must claim tax credits jointly. A 'couple' broadly comprises spouses or civil partners who are not separated, or two people living together as husband and wife or as if they were civil partners.
- 3.2 Members of a couple are jointly and severally liable to repay overpaid amounts of tax credit – in other words, HMRC can recover an overpayment from either partner or from both partners in equal or unequal proportions.
- 3.3 Where we act for you as a couple in respect of a joint claim, we will advise you and your spouse or civil partner or any person(s) with whom you are making a joint claim for tax credits (your 'partner') on the basis that you are a household. You both agree that, in all matters relating to your or your partner's tax and financial affairs, we may deal directly with either of you and we may discuss with either of you the tax liabilities and/or financial affairs of the other, so far as they are relevant to your tax credits entitlement.
- 3.4 For us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest arises between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.
- 3.5 We will require your partner's agreement to these arrangements.
- 3.6 You undertake to tell us if you cease to be a couple because this will terminate the joint claim. You cease to be a couple for tax credits purposes if:
- You were a married couple or civil partners and you have separated under a court order, or in circumstances in which the separation is likely to be permanent; or
  - You were living together as husband and wife, or as if you were civil partners, but no longer do so; or
  - One of you has gone overseas for longer than eight weeks (even if you still regard yourselves as living together in the usual sense).
- 3.7 HMRC will need to be informed if the joint claim terminates, and we will also need to amend our terms of engagement accordingly. If you are unsure whether you have ceased to be a couple for tax credits purposes, please tell us so that we can assess the situation.

## TRUST INCOME TAX AND CAPITAL GAINS TAX

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the trust's tax affairs and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

1.1 You are legally responsible for:

- a) ensuring that the trust's self assessment tax returns and CGT on UK residential property or UK land return, as appropriate are correct and complete;
- b) filing all such returns by the relevant due date;
- c) making payment of tax on time; and
- d) ensuring that the trust is recorded on HMRC's Trust Registration Service.

Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.

Legal responsibility for returns cannot be delegated to others. You agree to check the tax returns we have prepared for the trust are accurate and complete in all respects before you approve them.

You are no less responsible for errors in unapproved returns, submitted on the basis of information provided to and processed by us, than if you had confirmed your approval of the returns.

1.2 You authorise us to file the trust's self-assessment tax returns online.

1.3 To enable us to carry out our work you agree:

- (a) that all trust tax returns are to be made on the basis of full disclosure of all sources of income, profits and gains, all charges and allowances and all capital transactions;
- (b) to maintain accurate and complete accounting and other records of all income, expenses and outgoings, and of the results of all transactions of a capital nature;
- (c) to provide full information and documents necessary for preparing the trust's financial statements and dealing with the trust's tax affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (d) to advise us of distributions, advances or appointments made out of, or in respect of, trust funds, in each case within 30 days of such an event;
- (e) to inform us in advance of any planned UK residential property sales by the trust, and provide us with the information we require such as associated costs and valuations, prior to disposal, to ensure that any capital gains tax liability can be calculated and reported to HMRC within 60 days of completion of the disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of all UK property disposals, including disposals of shares in property rich companies, must be advised prior to exchange of contracts on any property disposal.

It is your responsibility to pay any capital gains tax due to HMRC by the trust by this 60 day deadline;

- (f) to keep us informed of any specific conditions that have been imposed on the trust by HMRC – for example: to provide more detailed accounts or to have a qualified accountant prepare the trust's tax returns and/or certify that they are accurate;
- (g) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the trust's tax affairs; and
- (h) to provide us with information in sufficient time for the trust's tax return to be completed and submitted by the due date following the end of the tax year. In order that we can do this, we need to receive all relevant information by the date specified in **Key Facts**.

Where feasible we may agree to complete the trust's tax return within a shorter period, but may charge an additional fee for so doing; and

- (i) to take such steps and provide such information to us and to HMRC as may be necessary for the trust to register with HMRC under the Trusts Registration Service.
- 1.4 You will keep us fully and promptly informed of events or material changes in circumstances that could affect the trust's tax liability. If you are unsure whether an event or change is material please let us know so that we can assess the significance.
  - 1.5 HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC, and authorises HMRC to communicate with us as your agent, although they consider that you must still take 'reasonable care' over your tax affairs.
  - 1.6 You will forward to us HMRC' statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC may have the authority to communicate with us, if relevant through form 64-8, it is essential that you let us have copies of any correspondence received because HMRC are not obliged to send us copies of all communications issued to you.
  - 1.7 If stated in Key Facts, you will be responsible for registering the trust with HMRC under the Trust Registration Service (if it is not already registered), and for maintaining the Trust Register information. For the purposes of the completion of the self-assessment return, you undertake to provide us with confirmation each year that either the registration has been completed or is not required.
  - 1.8 If you carry on a business as trustees and make supplies for VAT purposes, you are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If your turnover exceeds the UK VAT registration threshold and you wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which your turnover exceeds the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty.
  - 1.9 In certain circumstances there can be obligations to register for VAT, or similar turnover taxes, in non-UK countries including the Member States of the European Union. While we may, in some circumstances, be able to assist with questions relating to the VAT systems of non-UK countries and would encourage you to ask us for assistance, all advice in relation to non-UK tax systems should be confirmed with an appropriate specialist in that country's rules. We will not be responsible for any failure to comply with the tax rules of a non-UK country.
  - 1.10 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (with the final destination of the goods being within the EU), then the EU's Import One Stop Shop (IOSS) can be used by both EU and non-EU established suppliers in preference to standard import procedures.
  - 1.11 If you are making distance supplies of goods within the EU, e.g. from France into Germany (B2C), you may, depending on circumstances, be able to use either the Union or non-Union OSS scheme in preference to registering for VAT in the member state of delivery.  
The non-Union OSS can be used for any services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C).
  - 1.12 There may be other circumstances where the Union or non-Union OSS can be used, such as domestic supplies of goods by deemed suppliers. In general terms, however, if you do not fall within the criteria for OSS registration then you may need to VAT-register in the Member State in which you make the supply of the goods or services.
  - 1.13 You are also responsible for employment taxes, pensions (including auto-enrolment) and assessment of the employment status of your workers. If your business is not small, then you are also responsible for assessing the employment status of any contractors providing personal services to your business via intermediaries under the off-payroll working (IR35) rules, as well

as being responsible for employment taxes if they are deemed employees. If you do not understand what you need to consider or what action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

- 1.14 You are reminded that, under the *Trustee Act 2000*, it is your responsibility to regularly review the trust investments and to have a clear and appropriate investment policy.

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards**

- 1.15 As a result of the USA Foreign Account Tax Compliance Act (FATCA), the *International Tax Compliance (United States of America) Regulations 2013* (the Regulations) require the trust to determine whether it is a Financial Institution (FI) or a Non-Financial Foreign Entity (NFFE) and, if the latter, whether it is passive or active. If it is a Financial Institution, it must register with the US Internal Revenue Service (IRS) and file annual returns with HMRC. Over the next few years similar arrangements will come into force with more than 70 other countries. This is or will be based on a single agreement called Common Reporting Standards.
- 1.16 If stated in **Key Facts**, you will be responsible for compliance with these Regulations and any obligations arising from Common Reporting Standards, both in terms of the initial categorisation and, if necessary, the subsequent registration of the trust with the IRS (or other applicable authority) and the filing of annual returns with HMRC.
- 1.17 If stated in **Key Facts**, you have agreed to provide sufficient information to enable the annual return to HMRC to be accurately completed. However, you must provide us with all the information that we may require from time to time to enable us to advise you properly, and the provision of adequate systems shall always remain your ultimate responsibility.

## **2 Our responsibilities as accountants**

- 2.1 Unless you request otherwise, we will prepare the financial statements of the trust from the accounting records and other information and explanations provided by you, or by others on your behalf, and will obtain your approval of the financial statements. We will advise you as to the adequacy of the trust's records for this purpose.
- 2.2 Based on the accounts or information and explanations provided by you, we will prepare the self assessment tax returns for the trust which are required to be filed with HMRC, together with such supplementary schedules as are required. For the avoidance of doubt:
- this does not extend to inheritance tax returns that may be required either when the trustees make a distribution from the trust or on each ten-year anniversary from commencement. If required, this will be the subject of a separate engagement letter (see para. 2.12).
  - this obligation does not extend to any VAT returns, Inheritance tax returns, or tax returns which may be required to be made in any country or jurisdiction outside the United Kingdom.
- 2.3 Once we have obtained your approval and signature, we will submit the relevant return to HMRC. You authorise us to file the return electronically.
- 2.4 We will either calculate or check HMRC's calculation of the trust's income tax and any capital gains tax liabilities and advise you how much tax the trust should pay and when. We will advise on the interest and penalty implications if tax is paid late. If appropriate we will initiate repayment claims when tax has been overpaid.
- 2.5 Based on information you provide to us, we will calculate the trust's capital gains tax liability on the disposal of any qualifying residential property, and will report this to HMRC, as well as informing you how much the trust should pay and by when.
- 2.6 There is an in-year capital gains tax (CGT) reporting and payment requirement for disposals of UK residential property (and, if the trust is non-UK resident, UK non-residential property and investments in property-rich entities). We will prepare the in-year return for each disposal, calculate the CGT due and submit the return to HMRC.
- 2.7 We will advise as to possible claims and elections arising from the trust's tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.

- 2.8 We will deal with all communications relating to the trust's tax return addressed to us by HMRC or passed to us by you. However, if HMRC choose the return for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.
- 2.9 If, under the terms of the trust, income payments are made to the trust's beneficiaries, we will assist you in preparing form R185 (statement of income from trust).
- 2.10 If stated in Key Facts, we will be responsible for registering the trust with HMRC under the Trust Registration Service (if it is not already registered), and for maintaining the Trust Register information. You will provide us with all necessary information at least 30 days before the registration or update deadline (or contact us immediately should a change occur which would need to be reported within that 30 day period before the deadline.)
- 2.11 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.
- 2.12 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of ad hoc work would include:
- advising on ad hoc transactions, for example the sale of assets held by the trust or the advancement or appointment of trust cash or other assets to or for the benefit of trust beneficiaries;
  - any inheritance tax returns required to be made; and
  - dealing with any enquiries opened into the trust's tax returns by HMRC.
- 2.13 Since 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
- 2.14 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.
- Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards***
- 2.15 If stated in **Key Facts**, we will assist with the categorisation of the trust into either an FI or an NFFE (passive or active). If the trust is determined to be a Financial Institution, we will assist where required to ensure that the trust has adequate systems to identify foreign citizens (whether US citizens or those of other countries who have signed up for the Common Reporting Standards), who are or who may become beneficiaries to whom payments may be made. We can also assist you with the initial online registration with the IRS.

## DIRECT TAXATION – CHARITIES AND PENSION SCHEMES

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your direct taxation affairs, where relevant, and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

- 1.1 You have asked us to undertake all correspondence with HMRC on your behalf. To avoid any problems please send to us any forms or correspondence received from HMRC as soon as you receive them. In particular would you please ensure that no payments are made to HMRC without our confirmation that the demands are correct. However, if HMRC choose your tax affairs for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instruction from you.
- 1.2 You are legally responsible for making correct returns to HMRC, for the payment of tax on time.
- 1.3 To enable us to carry out our work you agree:
- (a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with the charity/scheme's affairs. This includes, where relevant, details of any benefits provided to donors. We will rely on the information and documents being true, correct and complete;
  - (b) to respond quickly and fully to our requests for information and to other communications from us;
  - (c) to provide us with information in sufficient time for the charity/scheme's tax returns to be completed and submitted by the due date following the end of the accounting period. In order to do this, we need to receive all relevant information by the date specified in **Key Facts**;
  - (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from HMRC to enable us to deal with them as may be necessary within the statutory time limits;
  - (e) to inform us of any significant changes that might affect your tax status, and
  - (f) that we may use third parties to process the information for your tax return where we consider that this is necessary in order to provide you with the desired level of service. All our third party service providers have been checked to ensure that they have appropriate systems in place to safeguard the confidentiality and security of your data and records.
- 1.4 You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.
- 1.5 We have submitted form 64-8 to HMRC which authorises HMRC to deal with us as agents regarding the matters specified on the form in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all HMRC's correspondence and, even where it does, HMRC sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HMRC.

### 2 Our responsibilities as accountants

- 2.1 We will send you the tax return and supporting schedules for you to approve and sign.
- 2.2 We will then submit it, with supporting documentation, to HMRC. Where applicable, you authorise us to file the return electronically.
- 2.3 Where applicable we will advise you of the amounts of tax to be paid and the dates by which the payments should be made. Where appropriate we will initiate repayment claims when tax has been overpaid.

- 2.4 Where appropriate we will also advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 2.5 We will send you the charity/scheme's gift aid repayment claim and supporting schedules for you to approve and sign. We will then submit this to HMRC on your behalf.
- 2.6 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.

## ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your Annual Tax on Enveloped Dwellings (ATED) returns (potentially required where a company or other non-natural person owns a UK residential property with a value in excess of £500,000), and to clarify our respective responsibilities in respect of that work.

### 1 Your responsibilities

- 1.1 The Directors are responsible for providing us with a complete list of all relevant UK residential properties, their dates of acquisition and their valuations, along with any other information we may require. The list should incorporate any UK dwelling with a 1 April 2022 (or acquisition date if later) value in excess of £500,000. We will advise as to whether, and if so when, each property needs to be reported on an ATED return. It should also identify any reliefs or exemptions that you believe may apply.
- 1.2 The Directors agree to inform us of any impending purchases of properties that may need to be declared on an ATED return. In some cases an ATED return and payment is required just 30 days after the purchase date and so prompt communication is required.
- 1.3 The Directors, on behalf of the company, are legally responsible for:
- (a) ensuring that the ATED return(s) for each year to 31 March is/are correct and complete;
  - (b) filing the ATED return(s) by the due date of 30 April following the start of the ATED return period\*;
  - (c) making payment of the ATED by 30 April following the start of the ATED return period\*;  
and
  - (d) ensuring any further return(s) that may be required to report any additional ATED liability is/are correct and complete, filing any such further return(s) and making payment of any such additional liabilities, in each case within applicable time limits.

\* In some cases, and in particular in the year in which a property is first acquired (see 1.2 above), the filing and payment deadline may be extended or otherwise adjusted. We will advise you where this is the case.

Failure to do any of the above will or may lead to penalties and/or interest.

Legal responsibility for returns cannot be delegated to others. You agree to check that returns we have prepared for the company are complete before you approve and sign them.

You are no less responsible for errors in unapproved returns, submitted on the basis of information provided to and processed by us, than if you had confirmed your approval of the returns.

- 1.4 To enable us to carry out our work the Directors agree:
- (a) that all ATED returns are to be made on the basis of full disclosure of all UK dwellings (and relevant interests in UK dwellings), and their uses and occupation;
  - (b) to provide full information and documents necessary for dealing with the ATED return(s) (including, but not limited to, sales (or other disposals) and acquisitions, and changes in use or occupation, of relevant dwellings). We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - (c) to take any necessary steps to agree the open market value of each relevant property on 1 April 2022, or the date of acquisition if later, to be declared on the ATED return(s); and, where the relevant property is still held, as revalued every five years (from 1 April 2022) thereafter. We will also advise, on the basis of the information and documents provided under (b) above, in any case where some other valuation date (such as 1 April 2012) is relevant to any ATED return or further return;

- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the ATED return(s);
- (e) to provide us with information in sufficient time for the company's ATED return(s) to be completed and submitted by the due date outlined above. In order that we can do this we need to receive all relevant information by the date specified in **Key Facts**. Where feasible we may agree to complete your ATED return(s) within a shorter period but may charge an additional fee for so doing;
- (f) to provide such information and evidence in support of any reliefs or exemptions which you believe may apply (for example, details of the letting agreements where the property is let to a third party on a commercial basis); and
- (g) to take such steps and provide such information to HMRC as may be necessary for the company to register with HMRC for the filing of ATED returns, including the ATED online filing service.

References to ATED returns above include any further return(s) referred to in paragraph 1.3.

- 1.5 The Directors will keep us fully and promptly informed of events or material changes in circumstances (including, but not limited to, sales (or other disposals) and acquisitions, and changes in use or occupation, of relevant dwellings) that could affect the ATED liabilities of the company. If the Directors are unsure whether a change is material, please let us know so that we can assess its significance.
- 1.6 You will forward to us relevant HMRC statements of account, copies of notices of assessment, letters and other communications in time to enable us to deal with them as may be necessary within the statutory time limits. Any existing 64-8 (agent authority) does not cover the ATED return(s) and HMRC may be unprepared to deal with us on your behalf until after the time that the first return(s) have been filed, listing us as your agent, or as otherwise may be required by HMRC.

## **2 Our responsibilities as accountants**

- 2.1 We will prepare the company's ATED return(s), including where appropriate any Relief Declaration Return (a short type of ATED return), based on the information and explanations you provide to us.
- 2.2 We will advise you as to any reliefs and exemptions that can be claimed against the ATED based on the information that you have provided to us. Where instructed by you, we will claim such reliefs on the ATED return(s).
- 2.3 After obtaining the written approval and the signature of the proper officer or other person authorised to act for the company in this regard, we will submit the ATED return(s), or provide assistance to enable the company to submit the ATED return(s) online to HMRC.
- 2.4 We will tell you how much ATED the company should pay and when. We will advise on the interest and penalty implications if ATED is paid late.
- 2.5 We will advise whether any further return (and liability to make an additional payment of ATED) is required to be made (and paid), and take action in relation to such return as corresponds to that in paragraphs 2.1 to 2.4 above for ATED return(s).
- 2.6 We will deal with the recovery of any overpaid ATED, following a relevant event or change in circumstances (e.g. the disposal of a relevant dwelling).

## TAXATION OF COMMUNITY AMATEUR SPORTS CLUB

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the tax affairs of your Community Amateur Sports Club (CASC), which is a company for tax purposes but which benefits from a number of tax advantages and relief, and to clarify our respective responsibilities in respect of that work.

This schedule assumes the entity has already registered with and been approved by HMRC as a CASC.

### 1 Your responsibilities

- 1.1 To maintain compliance with the conditions specified in the Corporation Taxes Act 2010 s. 658 for eligibility as a CASC, and thereby remaining eligible for the exemption from certain taxes as set out in sections 662 to 665 of that Act which relate to UK trading income/profit, UK property income, interest, gift aid income and company gift aid income, and chargeable gains.
- 1.2 To maintain the required accounting records, in particular the analysis between receipts from members and non-members and the identification, if relevant, of any non qualifying expenditure.
- 1.3 To prepare the annual financial statements in accordance with the relevant legislation and applicable accounting standards to enable any tax liabilities to be calculated (see paragraph 2.3 below).
- 1.4 You have asked us to undertake all correspondence with HMRC on your behalf. To enable us to do this, please send to us any forms or correspondence received from HMRC as soon as you receive them. In particular, please ensure that no payments are made to HMRC without our confirmation that the demands are correct. Please note that if HMRC choose your tax affairs for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instruction from you.
- 1.5 You are legally responsible for making correct returns to HMRC and, if relevant, for the payment of tax on time.
- 1.6 To enable us to carry out our work you agree:
  - (a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with the CASC's tax affairs. This includes, where relevant, details of any income and services provided to non-members. We will rely on the information and documents provided by you as being true, correct and complete;
  - (b) to respond quickly and fully to our requests for information and to other communications from us;
  - (c) to provide us with information in sufficient time for the CASC's tax returns, if required, to be completed and submitted by the due date following the end of the accounting period. In order to do this, we need to receive all relevant information by the date specified in **Key Facts**;
  - (d) to forward to us on receipt copies of notices of assessment, letters and other communications received from HMRC to enable us to deal with them as may be necessary within the statutory time limits;
  - (e) to inform us of any significant changes that might affect your CASC tax status; and
  - (f) that we may use third parties to process the information for your tax return where we consider that this is necessary in order to provide you with the desired level of service. All our third party service providers have been checked to ensure that they have appropriate systems in place to safeguard the confidentiality and security of your data and records.
- 1.7 If stated in **Key Facts**, to supply the required information to enable us to complete your online gift aid application.

- 1.8 We have submitted form 64-8 to HMRC which authorises HMRC to deal with us as agents regarding the matters specified on the form in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all HMRC' correspondence and, even where it does, HMRC sometimes overlook it and do not send agents copies of correspondence. You should therefore always send us the originals or copies of all communications you receive from HMRC.

## 2 Our responsibilities

- 2.1 If stated in **Key Facts**, we will assist with your application to the local authority for business rates relief which provides a discount of 80% on your business rates bill. We will also help you to apply for discretionary relief which may be available to top-up the discount so that you do not have to pay any business rates. However, we are unable to guarantee acceptance of the discretionary relief.
- 2.2 If stated in **Key Facts**, we will assist with the online application to HMRC for gift aid payments.
- 2.3 If stated in **Key Facts**, we will assist you with the preparation of the annual financial statements as set out in Schedule **5.01** (see paragraph 1.3 above).
- 2.4 If the entity's trading income or rental income exceeds the relevant exemption thresholds (currently £50,000 and £30,000 respectively), we will prepare the tax return and supporting schedules and send to you to approve and sign.
- 2.5 We will then submit the return, together with the supporting documentation, to HMRC. Where applicable, you authorise us to file the return electronically.
- 2.6 Where applicable we will advise you of the amounts of tax to be paid and the dates by which the payments should be made. Where appropriate we will initiate repayment claims when tax has been overpaid.
- 2.7 Where appropriate we will also advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 2.8 We will send you the CASC's repayment claim and supporting schedules for you to approve and sign. We will then submit this to HMRC on your behalf.
- 2.9 We are able to offer fee protection insurance to cover the cost of our fees arising from HMRC investigations. If you would like further details of this service please let us know.
- 2.10 We will be pleased to assist the CASC generally in tax matters if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken.
- 2.11 It is our policy to confirm in writing advice upon which the CASC may wish to rely.