

## **TWP ACCOUNTING LLP: PERSONAL TAX SERVICES**

This schedule should be read in conjunction with the engagement letter, other services schedules and our standard terms and conditions. The schedule sets out the basis on which we/are to act as tax agents and our respective responsibilities. It is agreed that we should carry out the following services as your agents on the basis that you will make full disclosure to us of all relevant information.

### **1 OUR SERVICE TO YOU: RECURRING COMPLIANCE SERVICES**

- 1.1 We will prepare your self assessment tax returns with any supplementary pages required from the information and explanations that you provide to us. We shall forward your return (together with copies of all supporting material we propose to submit to HM Revenue & Customs (HMRC) with your return) to you for approval and signature. After obtaining your approval and signature, we will submit your returns to HMRC. You authorise us to file the return electronically to HMRC.
- 1.2 We will calculate your income tax, high income child benefit charge (if applicable) national insurance contributions (NIC) and any capital gains tax liabilities and tell you how much you should pay and when. We will advise on the interest, penalty and surcharge implications if tax or NIC is paid late. We will also check HMRC's calculation of your tax and NIC liabilities and initiate repayment claims if tax or NIC has been overpaid.
- 1.3 We will deal with HMRC regarding any amendments required to your return and prepare any amended returns which may be required.
- 1.4 Other than as regards tax credits (see below), we will advise as to possible tax return related claims and elections arising from the information supplied by you. If instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 1.5 We will review PAYE notices of coding provided to us by you and advise accordingly. Note HMRC no longer sends copies of notices of coding to agents.
- 1.6 We shall respond to any enquiries relating to your tax return addressed to us by the HMRC or passed to us by you. However, we shall consult you if it becomes clear that HMRC are opening an in-depth enquiry or review. They have the power to do this on a purely random basis and this work will be the subject of a separate assignment and we will seek further instructions from you.
- 1.7 As with other professional firms, we are required to implement due diligence procedures to identify our clients for the purposes of UK anti-money laundering legislation and maintain appropriate records of evidence to support our customer due diligence. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the appointment.
- 1.8 The provision of personal tax services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in accountancy firms have to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our personal tax return work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

### **2 AD HOC AND ADVISORY WORK**

- 2.1 Where you have instructed us to do so, we will provide other taxation 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 at our option. If appropriate we will agree with you a separate fee for any such work that you instruct us to undertake. Examples of such work include:

- Advising on ad hoc transactions (for example, the sale of assets) and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities;
- Dealing with any enquiry opened into your tax return by HMRC; and
- Preparing any amended returns which may be required and corresponding with HMRC as necessary.

2.2 If we agree to advise you on inheritance matters we may issue a separate letter of schedule to cover this area. Any advice provided will not include full consideration of the potential need for long term care. Funding for long term care provision is a specialist area and your entitlement or otherwise to assistance will depend upon your own circumstances. We would require full information to be able to assess the impact of long term care provision on inheritance tax planning.

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

### **3 TAX CREDITS**

3.1 If we agree to advise you on tax credits we will issue a separate letter or schedule to cover this area. Tax credits are, in effect, a social security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we would require all relevant information to advise in this regard.

### **4 CHANGES IN THE LAW, IN PRACTICE OR IN PUBLIC POLICY**

4.1 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 or your circumstances.

4.2 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.

### **5 YOUR RESPONSIBILITIES**

5.1 You are legally responsible for:

- making a correct return in respect of your annual tax liability; it is essential that we as your agent are supplied with all relevant information;
- filing any returns by the due date; and
- making payment of tax on time.

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

It is therefore essential that you respond on a timely basis to any requests for further information to enable us to complete your return and submit it to HMRC on time.

Taxpayers who sign their returns cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared for you are complete before you approve and sign them.

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

- that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- 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;
- to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs; and
- 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. In order that we can do this, we need to receive all relevant information by 30<sup>th</sup> November. Where feasible we may agree to complete your return within a shorter period but we reserve the right to levy an additional fee.

5.3 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 or not please let us know so that we can assess its significance.

5.4 (*for new clients*) Either: 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. Or: We enclose an HMRC form 64-8 for you to sign and return to us for submission to 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.

5.5 Where you wish us to deal with HMRC communications, you will forward to us all communications received from HMRC such as HMRC statements of account, copies of notices of assessment, tax codes and letters. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. 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.

5.6 We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

5.7 It is our policy to confirm in writing advice upon which you may wish to rely.

## **6 YOU AND YOUR SPOUSE/PARTNER**

6.1 We shall advise you and your spouse/partner on the basis that you are a family unit. You both agree that in all matters relating to your 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 change to these arrangements at any time, please let us know.

6.2 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.

## **7 DATA PROTECTION**

- 7.1 We are committed to ensuring the protection of the privacy and security of any personal data which we process. Your attention is drawn to paragraph 21 of our standard terms and conditions of business which details how we treat personal data received by us in the provision of our services during our engagement with you.

## **8 LIMITATION OF LIABILITY**

- 8.1 Our services as set out above are subject to the limitations on our liability set out in paragraph 13 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.