

TWP ACCOUNTING LLP: PROPERTYMARK – PROVISION OF REPORT ON CLIENTS' MONEY ACCOUNTING COMPLIANCE

This schedule should be read in conjunction with the engagement letter and our standard terms and conditions. The schedule sets out the basis on which we are to report on your compliance with the clients' money accounting requirements Propertymark membership. It is agreed that we will carry out the following services on the basis that you will make full disclosure to us of all the relevant information we may need.

1 ESTATE AGENTS ACT 1979

- 1.1 Where you hold 'statutory' clients' money as defined by the Estate Agents Act 1979, you are responsible for separating it from other clients' money and dealing with it in accordance with the Estate Agents (Accounts) Regulations 1981.
- 1.2 Regulation 8 requires us to provide you with a report stating whether or not you have complied with the Estate Agents Act 1979 and the supporting regulations. To enable us to provide this report we are required to:
 - ascertain particulars of all bank accounts you keep, maintain or operate; and
 - examine your accounts and records and obtain such information and explanations we consider necessary to verify whether you comply with the requirements of the Act and the Regulations.

2 THE PROPERTYMARK CONDUCT AND MEMBERSHIP RULES

- 2.1 As a member of Propertymark you are obliged to comply with Propertymark's Conduct and Membership Rules. Rule 1, Propertymark's Accounting Rule, relates to clients' money.
- 2.2 Propertymark's Accounting Rule requires us to prepare, and you to deliver to Propertymark each year, a report in the format prescribed by Propertymark regulation, in respect of any clients' money that you hold direct as Principal Agent, or that you hold as a named Client Accounting Service Provider (CASP) on behalf of another member firm of Propertymark. We are required to annotate the checklist of enquiries set out in the report and to complete the declarations also set out therein, together with the results of two comparisons of the liabilities to clients shown by your clients' ledger accounts with the cash held in clients' money bank accounts, after adjustment for outstanding cheques and lodgements. To enable us to provide this report we will need to:
 - ascertain particulars of all bank accounts you maintain;
 - examine your accounting records and the internal control systems of both your clients' money and office records and obtain any information and explanations as we consider necessary for the purposes of the report; and
 - carry out such tests of your clients' ledger transactions as are required to enable us to complete the checklist of enquiries set out in the report; and
 - carry out such tests of your clients' ledger transactions as are required to enable us to complete the checklist of enquiries set out in Schedule 1 of the report; and
 - obtain any other information and explanations we consider necessary.
- 2.3 If you act as a named CASP for one or more member firms of Propertymark you must disclose this fact to us.
- 2.4 Should you engage the services of a named CASP in respect of your clients' money, it is the responsibility of that CASP to deliver a report on its procedures, direct to Propertymark.

You must, however, continue to submit a report to Propertymark in the format prescribed by Propertymark regulation on any other client money that you hold direct.

In particular you must prepare a report on any statutory clients' money held, which cannot be entrusted to a CASP.

- 2.5 You must declare to us at the time of our visit any properties belonging to any principal, partner or director of the firm which are managed by, or on which rent is collected by, you.
- 2.6 Our report is solely for use by the firm and by Propertymark and will be submitted in accordance with Propertymark's Accounting Rule.
- 2.7 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.
- 2.8 The provision of reports on client money 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 client money report 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

3 DATA PROTECTION

- 3.1 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.

4 LIMITATION OF LIABILITY

- 4.1 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