

LETTER OF ENGAGEMENT – VAT APPENDIX

VALUE ADDED TAX

1. YOUR RESPONSIBILITIES

1.1 Even though you are engaging us to help you meet your VAT obligations, you are legally responsible for:

- Ensuring that your returns are correct and complete;
- Filing any returns by the due date; and
- Making payment of tax on time.

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

The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for you are complete before he / she approves and signs them.

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

- That all returns are to be made on the basis of full disclosure;
- 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 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;
- You will keep us informed of material changes in circumstances that could affect your VAT obligations. If you are unsure whether the change is material or not please let us know so that we can assess the significance;
- 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 all the records relevant to the preparation of your two monthly VAT returns as soon as possible after the return period ends. We would ordinarily need a minimum of 15 days before submission to complete our work.

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

- 1.4 You will keep us informed of material changes in circumstances that could affect your VAT obligations. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
- 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 have the authority to communicate with us when agent form has been signed and submitted 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.
- 1.6 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.
- 1.7 If you are involved with any other business which is not registered for VAT 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 VAT registration threshold, and wish us to assist you in notifying HMRC of your liability 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 limit of one month following the month in which you exceeded the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result. The same applies to equivalent non-Ireland taxes.
- 1.8 If Inter-Communities need to be completed you are responsible for obtaining all of your customers' VAT registration numbers in other member states and to check with HMRC any that you are not completely satisfied with.
- 1.9 If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT One Stop Shop ('OSS') in Ireland.
- 1.10 It is our policy to confirm in writing advice upon which you may wish to rely.
- 1.11 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. We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given.

2. OUR RESPONSIBILITIES

- 2.1 We will prepare your two monthly VAT returns on the basis of the information and explanations supplied by you.
- 2.2 Based on the information that you provide to us 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 and penalty implications if VAT is paid late.
- 2.3 Where appropriate, we will calculate the partial exemption annual adjustment. This annual adjustment will normally be made in the last annual return.
- 2.5 We will forward to you the completed return calculations for you to review, and approve. The VAT return for onward transmission by us to HMRC.
- 2.6 We will deal with all communications relating to your VAT return addressed to us by HMRC or passed to us by you. However, if HMRC choose your 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.
- 2.7 Where you have instructed us to do so, we will also provide such other taxation advisory and ad-hoc services as may be agreed between you and us from time to time. These may be the subject of a separate letter of engagement, at our option. Where appropriate, we will discuss and agree an additional fee for such work when it is commissioned by you. Where specialist advice is required on occasions, we may need to seek this from, or refer you to an appropriate specialist.