

Engagement letter – Specific terms for services

Date: 25 May 2018

4 VAT services

4.1 Responsibilities

- 4.2 You are responsible for making correct returns by the due date and for payment of VAT on time.
- 4.3 To enable us to carry out our work you agree:
- 4.4 That all returns are to be made on the basis of full disclosure of all sources of income;
- 4.5 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;
- 4.6 That we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- 4.7 To provide us with information in sufficient time for your VAT return to be completed and submitted by the end of the month following the return period. In order that we can do this, we need to receive all relevant information by 15 days after the return period ends;
- 4.8 To keep us informed about significant transactions or changes in circumstances;
- 4.9 We accept no responsibility for any default surcharge or penalties that may arise if the books and records are not available to us in 15 days after the return period ends or the books and records prove to be incomplete or unclear and in particular are not written up to the end of the period, thereby delaying the preparation and submission of the VAT return or you fail to submit the return and any required payment to HM Revenue and Customs on time after we have sent the return to you for signature.
- 4.10 You are responsible for monitoring the monthly turnover to establish whether the company 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 the company turnover exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the company's obligation to be VAT registered, we will be pleased to assist in the VAT registration process. You should notify us of your instructions to act in relation to the company's 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 the current VAT registration turnover threshold was exceeded. We will not be responsible if we are not notified in time and a late registration penalty is incurred.
- 4.11 Where you are involved in other businesses, you are responsible for monitoring your total combined turnover for VAT purposes and also the potential liability of another business to charge VAT should you, as an individual, become registered. ***It is vital to understand that if an individual is VAT registered, then income from all business are relevant for considering the VAT position.***
- 4.12 If EC Sales Lists need to be completed you are responsible for obtaining all of your customers' VAT registration numbers in other member states and to check any that you are not completely satisfied with, with HMRC.

Agreed

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4.13 If you provide digital services to consumers in the EU, you are responsible for either registering for VAT in that member state or registering for MOSS in the UK.

4.14 **Our service to you**

4.15 We will prepare from the information and explanations provided by you, your VAT return and computations, together with all supporting schedules and, where necessary, amended returns. We will not audit or otherwise check the underlying records.

4.16 We will send you the original VAT return for you to approve and sign 20 days after your making the records available to us.

Agreed