

## **Terms of Business**

The following terms of business apply to all engagements accepted by Independent Taxation and Web Services (Me). All work is carried out under these terms except where changes are expressly agreed in writing between us.

### **Applicable law**

Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it on any basis. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

### **Nature of Services**

#### **A. ANNUAL ACCOUNTS – SOLE TRADERS/PARTNERSHIPS**

##### **Your responsibility for the preparation of accounts**

1. You have undertaken to make available to us, as and when required, all the accounting records and related financial information necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information. The accounts need to be approved by you before we are able to issue our report.
2. You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounts, is reliable. You are also responsible for ensuring that the activities of the business are conducted honestly and that its assets are safeguarded, and for establishing arrangements designed to deter fraudulent or other dishonest conduct and to detect any that occur.
3. You are responsible for ensuring that the business complies with the laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

##### **Our responsibilities for the preparation of accounts**

1. We will compile your annual accounts based on the accounting records [maintained by you] and the information and explanations given to us by you. We shall prepare draft annual accounts for your approval.
2. We will advise you as to the adequacy of your records for preparation of the annual accounts and make recommendations for improvements which we consider necessary. We shall not be responsible if, as a result of you not taking our advice, you incur losses or penalties.
3. We will use reasonable skill and care in the preparation of your accounts but will not be responsible for errors arising from incorrect information supplied by you.
4. We will report, with any variations that we consider may be necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from your accounting records and from the information and explanations supplied to us.

5. We have a professional duty to compile accounts which conform with generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.

## **B. ANNUAL ACCOUNTS – LIMITED COMPANIES**

### **Responsibilities of Directors**

As director of the company, under the Companies Acts you are responsible for:

- Ensuring that the company maintains proper accounting records and for preparing accounts
- Determining whether for any reason the exemption is not available in respect of the period.

You will keep records of sales invoices, purchase invoices, receipts and payments, together with any other documents relating to the company's transactions and activities. It will also be necessary for you to provide a record of stock at the company's year-end.

A private company is usually required to file its accounts at Companies House within 9 months of the year end. The company will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided all your records are complete and presented to us within two months of the year end, and all subsequent queries are promptly and satisfactorily answered.

We have agreed to act as your agent and to:

- (a) submit the accounts to the Registrar of Companies;
- (b) complete and submit the company's annual return;
- (c) complete and submit any other forms required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House, within one week of the change or event; and
- (d) maintain the statutory books.

***Or***

You have agreed to complete all the returns required by law, for example, the annual return and the notification of changes in directors. We shall, of course, be pleased to advise you on these and any other company secretarial matters if requested.

### **Responsibility of the accountants**

In relation to the accounts, we will prepare the company's accounts on the basis of the information that is provided to us. We will also draft the accounts in accordance with the provisions of the Companies Act, and related Accounting Standards for approval by the Board.

Should our work lead us to conclude that the company is not entitled to exemption from an audit of the accounts, or should we be unable to reach a conclusion on this matter, then we will advise you of this.

You have agreed that you or your staff will:

- (a) keep the records of receipts and balances;
- (b) reconcile the balances monthly with the bank statements;
- (c) post and balance the purchase and sales ledgers;
- (d) extract a detailed list of ledger balances; and
- (e) prepare details of the annual stocktaking, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices.

***Or***

- (f) provide us with a copy of the valuation produced by your independent stock-takers.

***And***

- (g) prepare details of work-in-progress at the accounting date and make available to us the documents and other information from which the statement is compiled.

If you have instructed us to undertake the record keeping you will supply us with all available data to enable us to fulfil the above requirements.

You/your management are responsible for the detection of irregularities and fraud. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts, unless prohibited from doing so by the Anti Money Laundering Legislation.

We will report, with any variations that we consider may be necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from your accounting records and from the information and explanations supplied to us.

We have a professional duty to compile accounts which conform with generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Acts and applicable accounting standards. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.

## **C. PERSONAL TAX – INDIVIDUALS AND SOLE TRADERS**

Your spouse is legally responsible for [his/her] own tax affairs and should be dealt with independently. However, if both spouses sign the Letter of Engagement incorporating these Terms of Business you agree that we can disclose to your spouse such details of your financial affairs as are required to consider your combined tax position.

- (a) We shall be pleased to act as your personal tax advisers in the UK.
- (b) We will prepare your personal income tax and capital gains tax return together with all supporting schedules and prepare HM Revenue & Customs' calculation of your self-assessment of tax and Class 4 National Insurance contributions if applicable.

- (c) We will forward to you your tax return form, supporting schedules and tax computations for your approval. Once the return has been approved it will be submitted to HMRC by electronic or whatever means we deem appropriate.
- (d) We will advise you as to amounts of tax and National Insurance contributions to be paid and the dates by which you should make the payments, including payments on account and the balancing payment, and if appropriate we will initiate repayment claims when tax and National Insurance contributions appear[s] to have been overpaid.
- (e) We will deal with HM Revenue & Customs regarding any amendments required to your return and prepare any amended returns which may be required.
- (f) We will advise as to claims and elections arising from the tax return and from information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
- (g) You have asked us to undertake all correspondence with HM Revenue & Customs on your behalf. To avoid any problems would you please send to us any forms or correspondence received from HM Revenue & Customs as soon as you receive them.
- (h) HM Revenue & Customs has powers to charge both interest and penalties if there is a delay in submitting a tax return. Such charges are automatic if the tax return is submitted after 31st January following the end of the tax year, or if any payments are made after the respective due dates.
- (i) It is therefore important that all details required for the preparation of your tax return are forwarded to us as soon as possible after 5th April each year and by 15th January at the latest. If the information is received after that date, we will not accept responsibility for any penalties or surcharges charged by HM Revenue & Customs.
- (j) HM Revenue & Customs audits a number of tax returns each year, many of these audits are the result of a random selection. Assistance in respect of such an audit beyond the answering of straightforward queries regarding entries on the tax return is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an audit.
- (k) 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.
- (l) You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
- (m) You agree to complete and sign a HM Revenue & Customs form 64-8, which authorises HM Revenue & Customs to send us copies of formal notices and to allow us access to your tax records. In practice, HM Revenue & Customs will treat this as authority to correspond with us, 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 HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

*Or*

(a) You have not asked us to become involved in your tax affairs with regard to income tax. Should you require it we can offer advice on the operation of all aspects of income tax.

(b) We will be pleased to advise on any other taxation matters referred to us and would strongly encourage you to approach us before entering into any complex or unusual transactions in order that we can assess their tax implications.

#### **D. PARTNERSHIP TAX**

(a) We will prepare the income tax and capital gains tax computations based on the partnership accounts from the accounting records and other information and explanations provided by you.

(b) We will prepare the firm's annual partnership return, including the partnership statement of total income, gains, losses, tax credits and charges of the firm for each period of account ending in the return period.

(c) Once the return has been approved we will submit it, with the accounts and computations, to HM Revenue & Customs. by electronic or whatever means we deem appropriate.

(d) We will advise all the partners who were partners of the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges in order that they are able to file their personal self-assessment tax returns within the relevant time period.

(e) We will deal with HM Revenue & Customs regarding any amendments required should the partnership self-assessment tax return be challenged.

(f) We will advise as to claims and elections arising from the tax return and from information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.

(g) We will deal with all communications relating to the partnership return addressed to us by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose the partnership tax return for enquiry, this work will be the subject of a separate assignment and we will seek further instructions from you. Assistance in respect of such an enquiry beyond the answering of straightforward queries regarding entries on the tax return is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an enquiry.

(h) You have asked us to undertake all correspondence with HM Revenue & Customs on the partnership's behalf. To avoid any problems would you please send to us any forms or correspondence received from HM Revenue & Customs as soon as you receive them.

(i) HM Revenue & Customs have powers to charge both interest and penalties if there is a delay in submitting a tax return. Such charges are automatic if the tax return is submitted after 31st January following the end of the tax year. For partnership penalties, the amount due is multiplied by the number of partners. Delays in submitting the partnership return may also have an effect on the returns of all the partners, with the possibility of penalties, interest and surcharges being payable by each individual partner.

(j) It is therefore important that all details required for the preparation of your tax return are forwarded to us as soon as possible after 5th April each year and by 1st January at the latest. If the

information is received after that date, we will not accept responsibility for any penalties or surcharges charged by HM Revenue & Customs.

(k) 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.

(l) You agree to complete and sign HM Revenue & Customs form 64-8 which authorises HM Revenue & Customs to send us copies of formal notices and gives us access to the tax affairs of the Partnership. In practice, HM Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with the partnership except to the extent that they are formally required to do so. However, this authority does not apply to all HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

*Or*

(a) You have not asked us to become involved in your tax affairs with regard to income tax. Should you require it we can offer advice on the operation of all aspects of income tax.

(b) We will be pleased to advise on any other taxation matters referred to us and would strongly encourage you to approach us before entering into any complex or unusual transactions in order that we can assess their tax implications.

## **E. CORPORATION TAX**

We will prepare, in respect of each accounting period of the company, a computation for corporation tax purposes adjusted in accordance with the provisions of the Taxes Acts. We will also prepare the corporation tax return (form CT600) required under the Corporation Tax Self-Assessment regulations. The corporation tax return, together with the supporting corporation tax computations, will be submitted to HMRC once agreed by the Company / Director.

It should be recognised that in law a taxpayer cannot contract out of his fiscal responsibilities and that computations and return forms are prepared by us as agent for the company. You are legally responsible for making correct returns and for payment of tax on time. If we ask you for information to complete the tax return and it is not provided within the time-scale requested, so that the preparation and submission of the return are delayed, we accept no responsibility for any penalty or interest that may arise.

We will advise you of the corporation tax payments to which the company will be liable, together with the due date of payment. You must inform us immediately if the company pays or receives any interest or makes any other payment, or transfers any asset to any shareholder.

Where necessary we will deal with any queries raised by the Inspector of Taxes and negotiate with the Revenue on any question of taxation interest or penalties which may arise.

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 company's affairs. 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 company's self-assessment tax return to be completed and submitted by the due date.
- (d) To forward to us on receipt copies of all statements of account, letters and other communications received from HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits.

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.

You have agreed as Company / Director to complete and sign HM Revenue & Customs form 64-8, which authorises HM Revenue & Customs to send us copies of formal notices and access to the Company tax affairs. In practice, HM Revenue & Customs will treat this as authority to correspond with us, 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 HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

*Or*

You have not asked us to become involved in your tax affairs with regard to corporation tax. However, we can offer advice on all aspects of corporation tax, should you so require.

We will be pleased to advise on any other taxation matters that may be referred to us and would strongly encourage you to approach us before entering into any complex or unusual transactions in order that we can assess their tax implications.

## **F. PAYROLL PREPARATION, P.A.Y.E. AND N.I.**

### **Payroll and year end returns**

In order for us to prepare your payroll and year end returns we will require the following information from you:

- (a) Personal details of all employees (i.e. name, NI number, home address, and the data required by HMRC to file payroll returns online which is known as Real Time Information (RTI)).
- (b) All P45s, or equivalent, received by you.
- (c) If any labour is taken on without a P45, you are required to operate P46, or equivalent, procedures.

All completed forms should be passed to us for processing.

- (d) Notification within two weeks of any employee who is ill for four or more calendar days, including weekends, bank holidays etc. This will enable us to operate statutory sick pay for you.

- (e) Notification of any employee who adopts, becomes pregnant or whose partner adopts or becomes pregnant. This will enable us to operate statutory adoption, maternity and paternity pay.
- (f) Details of any money or benefits made available to employees by you or by a third party through you.
- (g) Hours worked, rates of pay, bonuses, the amount of any pension deductions (Automatic Enrolment) etc.
- (h) An email address for the employee, obtained with their express permission in order that access to payslips etc can be granted.
- (i) Notification of employees engaged by you or leaving your employment.
- (j) Any notice of coding received by you.

If you are not already operating PAYE but require this to be put in place we can assist with the setting up of a PAYE scheme via HMRC. Such assistance is subject to our published fee.

In respect of the “Automatic Enrolment” of pensions we can assist you with the setting up and administration of a Workplace Pension. Such assistance is subject to our published fee. We will assist you in processing your payroll based on the pension deductions that you provide or legal minimum contributions.

The end of period payroll returns must be received by HM Revenue & Customs on or before pay day otherwise significant penalties may be levied. There may also be interest payable if income tax and National Insurance contributions payments, due each month or quarter are late or less than indicated by the return. Only the information provided for the payroll will be reported to HMRC.

We will assist in the preparation and submission of PAYE returns as required by the authorities concerned. However, it should be understood that our appointment as your agent does not absolve the company or its directors from their statutory responsibilities. We would draw your attention to the strict rules and time limits for the submission of such returns and the substantial penalties which may arise if these are not observed. It is therefore essential that we receive full information from you promptly to enable us to ensure that the returns are made on a timely basis. Completed returns will be submitted in accordance with HMRC requirements unless you undertake to submit these yourself.

### **P9D/P11D benefits for directors\*/officers\* and employees\***

If you have asked us to prepare forms P9D/P11D for your approval we will require details of all benefits, perks or reimbursed expenses received by the directors\*/officers\*/employees.\*

There are penalties for the late submission of forms P9D/P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the tax year (*NB: not accounts year*) within 14 days of the end of the tax year.

### **Construction Industry Scheme**

Where we have agreed to operate the Construction Industry Scheme for the subcontractors you engage. In order for us to do this, we will require the following information from you on a timely basis:



(a) Confirmation that you have checked or 'verified' each new subcontractor with HM Revenue & Customs; and

(b) Confirmation stating whether HM Revenue & Customs has advised that the subcontractor should be paid net or gross.

It is your sole responsibility to establish the employment status of each and every one of your subcontractors. In respect of the employment status of subcontractors we cannot advise therefore we accept no liability in the event that HM Revenue & Customs challenges the employment status of one or more of your subcontractors.

Under the current rules, CIS registration will be lost if returns are made late or tax is paid late. HM Revenue & Customs no longer has discretion regarding whether or not to cancel registration. We cannot be held responsible or liable for financial loss or consequential financial loss if your CIS registration is cancelled for late submission where we have not received the necessary information on a timely basis or for any late payment occurring as a result.

*Or*

You have not asked us to become involved in your PAYE system. However, we can offer advice on the operation of all aspects of wages and PAYE, should you so require.

If you are not already operating a Construction Industry Scheme require this to be put in place we can assist with the setting up of a Construction Industry Scheme via HMRC. Such assistance is subject to our published fee.

We will be pleased to advise on any other taxation matters referred to us and would strongly encourage you to approach us before entering into any complex or unusual transactions in order that we can assess their tax implications.

## **G. VAT RETURNS**

You have asked us to undertake the completion of your VAT returns. We cannot be held responsible for any penalties or default surcharges arising from the late submission of VAT returns. However, we will endeavour to meet the relevant deadlines if we receive all the business VAT records within 14 days of the end of the VAT return period.

You have undertaken that you or your staff will ensure that:

(a) All relevant VAT records are forwarded to us within 14 days of the end of the VAT return period;

(b) Valid VAT invoices are received for all payments where VAT is being reclaimed;

(c) The VAT rating of supplies is correctly dealt with, i.e. between positive and zero rates and exempt supplies;

(d) We are notified in writing of any positive-rated own consumption;

(e) Any input VAT on non-business expenditure is clearly marked on supporting invoices;

(f) We are notified each quarter of any payments to or for the benefit of directors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter;

(g) All supplies made by the business are shown in the records made available to us.

**Or**

You or your staff will be responsible for completing and submitting VAT returns. We will not be responsible for checking the VAT treatment of supplies made, i.e. between positive and zero rates, and exempt supplies unless specifically requested in writing to make a detailed review. We will, however, ensure that the sales figure in your accounts is reconciled to your VAT returns submitted, provided you:

(a) let us have copies of all returns submitted

Similarly, we will not specifically check the deductibility of input VAT and the validity of supporting invoices unless specifically requested in writing to carry out a detailed review.

**Or**

At the time of this letter you are not VAT registered. If registration becomes necessary we can assist with this. Such assistance is subject to our published fee.

If registration becomes necessary, we will endeavour to ensure that you register in time provided that:

(a) You notify us in writing within 14 days of the end of each month of the total value of supplies you have made in that month; and

(b) You notify us immediately in writing if the value of taxable supplies that you will make in the next 30 days is likely to exceed the annual registration limit then in force.

It should be understood that our appointment as your agent does not absolve the business, sole trader, Partners, Company or its directors from their statutory responsibilities. We would draw your attention to the strict rules and time limits for the submission of such returns and the substantial penalties which may arise if these are not observed. It is therefore essential that we receive full information from you promptly to enable us to ensure that the returns are made on a timely basis. Completed returns will be sent to you for approval and signature prior to submission on the company's behalf

## **H. MAINTAINING ACCOUNTING RECORDS**

Should you have requested our services in maintaining your business records it is agreed that we should carry out the following accounting and other services:

(a) Keep the records of receipts, payments and balances;

(b) Reconcile the balances monthly with the bank statements;

(c) Post and balance the purchase and sales ledgers;

(d) Extract a detailed list of ledger balances;

(e) Complete the postings to the nominal ledger; and

(f) Prepare the accounts for approval by yourselves.

You or your staff are responsible for the detection of irregularities and fraud. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter.

### **Automated data feeds (Bank Feeds)**

As accountants we place emphasis on the accuracy, completeness and integrity of financial data. The quality of our client's accounting records is directly affected by the quality of data used to create the records.

Where possible, we prefer for financial data to be sourced directly from the data provider, obtained via automated feed. Cloud accounting software usually allows a client to link their company accounting records to their business bank account, via the client's own online access credentials (Bank Feeds, available for the majority of UK banks).

Bank Feeds automatically import transactions from the company's business bank account into the cloud accounting package thereby ensuring the integrity of the data, on a frequent and periodic basis.

You undertake to enable the Bank Feed and give us access to that facility if we are engaged to complete your record keeping.

### **Client identification**

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

Suitable proof of identity may be requested, examples of which are:

- a. A utility bill dated within the last three months
- b. Passport or driving licence of all named directors/partners/ principles.
- c. Certificate of Incorporation (if a Ltd company)

### **Client money**

The terms of our engagement do not necessitate the holding of client money at any time. We do not envisage any instance where we would be required to hold client monies.

### **Complaints**

We are committed to providing you with a high quality service that is both efficient and effective. However, should there be any cause for complaint in relation to any aspect of our service please contact me at [tax@itwsl.co.uk](mailto:tax@itwsl.co.uk). We agree to look into any complaint carefully and promptly and do everything reasonable to resolve the matter.

### **Confidentiality**

Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory

bodies or by our insurers. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

### **Conflicts of interest**

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client unless we are unable to do so because of our confidentiality obligations. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. We reserve the right to provide services for other clients whose interests are not the same as yours or are adverse to yours subject of course to the obligations of confidentiality referred to above.

### **Data protection and privacy policy**

As Accountants we are bound by the Data Protection Act 1989 and with effect from 25<sup>th</sup> May 2018 the General data Protection Regulation (GDPR).

### **Glossary of Terms**

#### **What is personal data?**

Personal data relates to any information about a natural person that makes you identifiable which may include (but is not limited to):

- Names and contact information ie emails and telephone numbers
- National Insurance Numbers
- Employment history
- Employee numbers
- Credit History
- Personal tax
- Payroll and accounting data

#### **What is sensitive personal data?**

Sensitive personal data refers to the above but includes genetic data and biometric data. For example:

- Medical conditions
- Religious or philosophical beliefs and political opinions
- Racial or ethnic origin
- Convictions
- Biometric data (eg photo in an electronic passport)

## **What is a Data Controller?**

For GDPR purposes, the “data controller” means the person or organisation who decides the purposes for which and the way in which any personal data is processed.

The data controller is Andrew Downs of Independent Taxation and Web Services (ITWSL).

## **What is a Data Processor?**

A “data processor” is a person or organisation which processes personal data for the controller.

## **What is Data Processing?**

Data processing is any operation or set of operations performed upon personal data, or sets of it, be it by automated systems or not. Examples of data processing explicitly listed in the text of the GDPR are: collection, recording, organising, structuring, storing, adapting, altering, retrieving, consulting, using, disclosing by transmission, disseminating or making available, aligning or combining, restricting, erasure or destruction.

## **What information do we collect about you and how?**

ITWSL, as a Data Controller, is bound by the requirements of the General Data Protection Regulations (GDPR).

You agree that we are entitled to obtain, use and process the information you provide to us to enable us to discharge the Services (as defined in this Letter of Engagement and any supporting schedules subsequently issued) and for other related purposes including;

- Updating and enhancing client records
- Analysis for management purposes
- Statutory returns
- Legal and regulatory compliance
- Crime prevention

We collect information about you when you fill in any of the forms requested by us or by download from our website, sending an enquiry, signing up for an event, filling in a survey, giving feedback etc. Website usage information may be collected using cookies.

We do not undertake any form of credit check, store credit card details, nor do we share your details with any third parties without your written permission.

## **How will we use the information about you and why?**

At ITWSL we take your privacy seriously and will only use your personal information to provide the Services you have requested from us, detailed in your Letter of Engagement and any supporting schedules subsequently issued as we have identified above. We will only use this information subject to your instructions, data protection law and our duty of confidentiality.

We may receive personal data from you for the purposes of our money laundering checks, such as a copy of your passport. This data will only be processed for the purposes of preventing money laundering and terrorist financing, or as otherwise permitted by law or with your express consent.

Our work for you may require us to pass your information to our third-party service providers, agents, subcontractors and other associated organisations for the purposes of completing tasks and providing the Services to you on our behalf. However, when we use third party service providers, we disclose only the personal information that is necessary to deliver the Services and we have contracts in place that requires them to keep your information secure and not to use it for their own direct marketing purposes.

If you agree, we will also use this information to share updates with you about our services which we believe may be of interest to you. We will not share your information for marketing purposes with companies so that they may offer you their products and services.

### **Security precautions in place about data collected**

When you give us personal information, we take steps to make sure that it's treated securely. Any sensitive information is encrypted and protected. We use secure portal facilities available via our practice management software Senta for the transfer of personal information.

Non-sensitive details (your email address etc.) are sent normally over the Internet, and this can never be guaranteed to be 100% secure. As a result, while we strive to protect your personal information, we cannot guarantee the security of any information you transmit to us, and you do so at your own risk. Once we receive your information, we make our best effort to ensure its security on our systems.

### **Marketing**

We would like to send you information about our services which may be of interest to you.

At this point in time you have consented to receive newsletters and marketing information from us and you may opt out at any point as set out below. Following the introduction of GDPR you have an absolute right to stop us from contacting you for newsletter and marketing purposes. To opt out please email: [tax@itwsl.co.uk](mailto:tax@itwsl.co.uk)

In the future it may prove necessary for us to obtain fresh explicit consent from you. If this proves necessary you give us consent to contact you for this purpose.

### **How long will we hold your data for?**

- Marketing: We will hold your data for a period of 6 years with a review every 3 years. You will have the opportunity to opt out or update or delete data at any point should you need to do so and details are set out in this policy as to how to do that.
- Contracted Services: We will hold your data for 7 years in line with our regulatory requirements.

### **Access to your information, correction, portability and deletion**

#### **What is a Subject Access Request?**

This is your right to request a copy of the information that we hold about you. If you would like a copy of some or all your personal information, please email or write to us. We will respond to your request within one month of receipt of the request.

We want to make sure your personal information is accurate and up to date. You may ask us to correct or remove information you think is inaccurate by emailing [tax@itwsl.co.uk](mailto:tax@itwsl.co.uk) or writing to us.

### **Objections to processing of personal data**

It is your right to lodge an objection to the processing of your personal data if you feel the “ground relating to your particular situation” apply. The only reasons we will be able to deny your request is if we can show compelling legitimate grounds for the processing, which override your interest, rights and freedoms, or the processing is for the establishment, exercise or defence of a legal claims.

### **Data Portability**

It is also your right to receive the personal data which you have given to us, in a structured, commonly used and machine-readable format and have the right to transmit that data to another controller without delay from the current controller if:

- The processing is based on consent or on a contract, and
- The processing is carried out by automated means.

### **Your Right to be Forgotten**

Should you wish for us to completely delete all information that we hold about you for:

- Email: [tax@itwsl.co.uk](mailto:tax@itwsl.co.uk) or
- In Writing to: Our business address

### **Other websites**

Our website contains links to other websites. This privacy policy only applies to our website so when you link to other websites you should read their own privacy policies.

### **Complaints**

If you feel that your personal data has been processed in a way that does not meet the GDPR, you have a specific right to lodge a complaint with the relevant supervisory authority. The supervisory authority will then tell you of the progress and outcome of your complaint. The supervisory authority in the UK is the Information Commissioner’s Office.

### **Changes to our Privacy Policy**

We keep our privacy policy under regular review and we will place any updates on this web page. This privacy policy was last updated on 5<sup>th</sup> April 2018 and the Version number is 1.1 in line with the new GDPR guidelines.

### **How to contact us**

Please contact us if you have any questions about our privacy policy or information we hold about you:

- By email: [tax@itwsl.co.uk](mailto:tax@itwsl.co.uk).
- Or write to us at our business address

## **Disengagement**

Should we resign or be requested to resign we may issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you after prompting from ourselves for a period of three months or more we may issue to your last known address a disengagement letter and hence cease to act.

## **Electronic and other communication**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. By signing this letter, you confirm your acceptance to receive all communications from us, and those sent to third parties via telephone, email, post and any other transmission basis in an unencrypted format and without password. You must advise us immediately if this is not the case.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after dispatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.

Any communication by us with you sent through the post system is deemed to arrive at your postal address two working days after the day that the document was sent.

## **Fees and payment terms**

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

Outside of our fixed monthly or annually published fee regime, if we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

Our fee structure is quoted on our Website and is subject to change at any time. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

If we arrange payment of our fees on a monthly basis they we will bill monthly and our invoices are due for payment upon presentation. All monthly fees will be collected by Direct Debit, monthly in advance. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.



It is your responsibility to ensure that funds are available in the chosen bank account in order to pay our monthly fee. If additional agreed work has been undertaken we will invoice separately for this and payment will be due upon presentation or we will agree a revised monthly payment.

We appreciate that there may be times when the trading activity ceases, to be resumed at a later date. We encourage you to talk to us if you expect such a period of dormancy so that we can consider whether a temporary reduction in monthly fee is possible and appropriate.

Upon termination of our contract we are obliged to ensure the company's affairs are left in good order. As such we may be required to undertake work to ensure all reports and filings are complete and liaise with HMRC and Companies House as necessary and appropriate. We may also be required to liaise with another accountancy firm.

On termination of our contract we reserve the right to charge a fee for our time which will depend on the complexity of your company's circumstances.

We reserve the right to charge interest on late paid invoices at the rate of 3% above bank base rates under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 7 days of receipt, failing which you will be deemed to have accepted that payment is due.

If a client company is unable or unwilling to settle our fees we reserve the right to seek payment from the individual giving us instructions.

## **Implementation**

We will only assist with implementation of our advice if specifically instructed and agreed in writing.

## **Intellectual property rights**

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

## **Interpretation**

If any provision of our engagement letter or terms of business is held to be void, then that provision will be deemed not to form part of this contract. In the event of any conflict between these terms of business and the engagement letter or schedules, the relevant provision in the engagement letter or schedules will take precedence.

## **Internal disputes within a client**

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of a business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the registered office for the attention of the director(s). If conflicting advice, information or instructions are received from different directors in the business we will refer the

matter back to the board of directors and take no further action until the board has agreed the action to be taken.

## **Lien**

In so far as we are permitted to by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

## **Limitation of third party rights**

The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

## **Money Laundering**

In common with all accountancy practices, we are required by the Money Laundering Regulations Act 2007 to:

- Operate identification procedures for all new clients;
- Maintain records of identification evidence obtained; and
- Report suspicions, in accordance with the relevant legislation and regulations.

We are bound by the Money Laundering Regulations Act 2007 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

We have a legal obligation to report any instances of money laundering to the NCA without your knowledge or consent. The law states that in particular circumstances we cannot make you aware of such a report, otherwise we will commit the criminal offence of tipping off. Accordingly, our staff may not enter into any correspondence or discussions with you regarding such matters.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Money Laundering Regulations 2007 in accordance with the guidance published by the ICAEW.

## **Period of engagement and termination**

Unless otherwise agreed in our engagement letter, our work will begin when we receive implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate our agreement by giving not less than 21 days' notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

In the event of termination of our contract, we retain the right for there to be a termination fee equal to one month's full monthly fee. We will endeavour to agree with you the arrangements for the completion of any other work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

### **Reliance on advice**

All advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

### **Retention of paperwork and records**

You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by law to be retained as follows:

#### **Individuals:**

- with trading or rental income: 5 years and 10 months after the end of the tax year
- otherwise: 22 months after the end of the tax year

#### **Companies:**

- 6 years from the end of the accounting period

Whilst certain documents may legally belong to you, we may destroy correspondence and other papers that we store electronically or otherwise that are more than seven years old, except documents we think may be of continuing significance. You must tell us if you wish us to keep any document for any longer period.

**END**