

## STANDARD TERMS OF BUSINESS – TAX ADVICE AND TAX PLANNING SERVICES (effective July 2020)

The following standard terms of business apply to all engagements and assignments accepted by Watts Gregory LLP in relation to tax advice and planning. All of such work carried out is subject to these terms except where changes are expressly agreed in writing in our letter of engagement, assignment letter or otherwise.

In these terms, reference to the firm, we, us, or our as the case may be is a reference to Watts Gregory LLP, and reference to you, or your is a reference to the addressee of the engagement or if relevant, the addressees of the assignment letter, separately or collectively as the context requires, according to the relevant party for whom the work is undertaken.

We are bound by the code of ethics of the Institute of Chartered Accountants in England & Wales and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

Watts Gregory LLP conducts its business with integrity, transparency and fairness. We are committed to the prevention of the facilitation of tax evasion as we recognise the importance of fostering a positive culture of tax compliance and maintaining the confidence of our clients, our business partners and the tax authorities. We do not and will not work with others who do not share our commitment to preventing the facilitation of tax evasion. Acceptance of these terms and conditions by any client is considered to be confirmation of their commitment to the above and of their intention to implement and maintain controls and procedures to prevent the facilitation of tax evasion.

### 1. Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

1.1 In certain circumstances clients are entitled to cancel their instructions to us.

1.2 When we accept your request to advise you or act for you, as a Consumer, we effectively enter into a contract with you.

#### On-Premises Contract

1.3 Normally if you attend our offices in person (we meet you face to face) and we agree to accept your instructions then the contract between us will be entered into "on our premises" (i.e. an "on premises contract"). Then provided we have given you sufficient information for you to make an informed decision e.g. an indication of the likely overall fees and disbursements then no right to cancellation normally arises and you will be liable for the fees and disbursements incurred in fulfilling your requests and instructions.

#### Off-Premises Contract

1.4 If however, we meet you in person but away from our offices e.g. at home, then if we agree to accept your instructions, you will have the right to cancel the contract (i.e. an off-premises contract) as set out below.

#### Distance Contract

1.5 Also, if we have not met you in person and only communicated with you by phone, email, letter or fax to accept your instructions (i.e. a distance contract) then similar rights of cancellation arise.

#### Rights of Cancellation

1.6 Where a right of cancellation exists, you have the right to cancel this contract within **14 days** without giving any reason. This is sometimes called a "cooling off" period and gives you the opportunity to change your mind.

The cancellation period will expire after **14 days** from the date we accept your offer to act for you. This will be the date shown on our initial engagement letter which we will send to you. The engagement letter together with our Standard Terms of Business set out the main characteristics and scope of the services we are providing to you. They will tell you what we will and will not do and explain your responsibilities.

This information should enable you to make informed decisions about your matter. If you are unclear about any information we provide then please do not hesitate to contact us for further information.

To exercise the right to cancel, you must, within seven working days of receiving these terms, inform us by letter, fax or email sent to our offices at Elfed House, Oak Tree Court, Cardiff Gate Business Park, Cardiff CF23 8RS or email to the email address on our letter of engagement attached by a clear statement of your decision to cancel this contract.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

#### Effects of cancellation

1.7 If you cancel this contract, we will reimburse to you all payments received from you.

We will make the reimbursement without undue delay, and not later than 14 days from the day on which we are informed about your decision to cancel this contract.

We will normally make the reimbursement using the same means of payment as you used for the initial transaction, unless you have expressly agreed otherwise; in any event you will not incur any fees as a result of the reimbursement.

#### Requests by you for us to start work during the 14 day cancellation period

1.8 We will not carry out any work within the cooling off period unless you expressly instruct us to do so.

If you have requested us to begin the performance of services during the cancellation period, (e.g. because you wanted the work done urgently) you will be liable to pay us an amount which is in proportion to what has been performed by us until you have communicated to us your notice of cancellation of this contract, in comparison with the full service which would have been carried out under contract with you, had you not cancelled.

## 2. Our Advice

2.1 Any letters of advice from us to you will set out our understanding of our instructions and

your intentions. If any such letter or note of advice does not accurately reflect your understanding of our instructions and your intentions, you agree to let us know immediately. In any event, your acting on the advice will be confirmation by you that we have properly understood your intentions and what was required of us.

2.2 Our advice will be prepared solely for your use on the basis outlined in this letter, in the relevant assignment letter or in the letter of advice provided to you. It should not generally be relied upon for any other purpose or by any other party. Our advice will be based on information provided to us by you in accordance with paragraph 5.2 below, and other information referred to in our report. Specifically, we should not be treated as having notice for the purposes of tax advisory assignments, of any information provided to other members of staff of the firm than those engaged on the specific assignment. Unless specifically requested, we will not normally undertake any form of investigation, verification, audit or other work in relation to information provided to us for the purposes of tax advisory assignments.

2.3 Our advice will be provided to you for your consideration in conjunction with any other advice that you obtain in relation to the relevant matter or other consideration you may have. The advice is provided on the basis that you will be responsible in accordance with paragraph 5.3 below, for making your own decisions for action or omissions to act based on your knowledge of all of the circumstances.

2.4 Our advice will be based on the tax laws and practice current in the UK at the time of providing the advice. We shall be pleased to source a general overview of an overseas country's tax system on your behalf, where relevant and if required by you at any time, or to introduce you to a firm of overseas tax advisers, for example within the International Association of Practising Accountants (IAPA) with which we are affiliated through our connection with the UK 200 Group. Overseas tax advice should be obtained from or confirmed with a specialist in the relevant country, and accordingly we do not take responsibility for advice relating to non-UK tax systems.

2.5 In general terms, we would emphasise that because tax rules change frequently you must ask us to review any advice already given if

a transaction is delayed, or if an apparently similar transaction is to be undertaken.

2.6 Unless specifically agreed, we shall not undertake research into Hansard.

2.7 You shall not disclose to any third party, in general or specific terms, in whole or in part, any advice that we may supply on planning opportunities without our prior written consent.

### 3. Variation of the Services

Should it be necessary at any time to vary the basis on which we carry out our work we shall agree the changes with you and confirm them in writing.

### 4. Compliance Work

This paragraph 4 applies if in the engagement letter or assignment letters there is or shall be identified any compliance returns, reports and other such compliance matters for which we shall be responsible in relation to the engagement or assignment.

4.1 Where our services include our preparation and submission on your behalf of returns or computations ("Submissions") to HM Revenue and Customs ("Tax Authorities"), we shall act as your agent. To enable us to prepare Submissions as your agent, you shall supply promptly all relevant information and documentation. We shall present Submissions to you for verification of correctness and completeness before sending them to Tax Authorities. You shall retain responsibility for the correctness and completeness of Submissions and for the payment of any corresponding tax liabilities.

4.2 Where under a separate engagement with you we are generally responsible for dealing with routine Submissions to the Tax Authorities, the terms of this letter and where relevant the separate assignment letters shall override any other terms of engagement with you, in respect of the Submissions that are specifically associated with this engagement or the separate assignment letters as described therein.

### 5. Your Responsibilities

5.1 You agree to give us access to full information as relevant about your tax affairs and the matters on which you have asked us to advise you.

5.2 To enable us to perform the services you shall supply promptly all relevant information and assistance and all access to relevant documentation in your possession, custody, or under your control and to personnel under your control where required by us.

5.2.1 You shall use your best endeavours to procure these supplies where not in your possession or custody or under your control;

5.2.2 You shall inform us of any information or developments which may come to your notice and which might have a bearing on the engagement;

5.2.3 You shall supply information in response to our enquiries to enable us to comply with our statutory obligations relating to money laundering.

5.3 Notwithstanding our duties and responsibilities in relation to the engagement, you shall respectively retain the responsibility and accountability for:

5.3.1 the management, conduct and operation of your business or affairs;

5.3.2 deciding on your use of, choosing to what extent you wish to rely on, or implementing advice or recommendations or other product of the advice supplied by us;

5.3.3 making any decision affecting the engagement, any product of the advice, your interests or your affairs;

5.3.4 the delivery, achievement or realisation of any benefits directly or indirectly related to the engagement that require implementation by you.

5.4 You shall send to us promptly any notices, assessments or determinations issued by Tax Authorities relating to the relevant compliance services as described in paragraph 4, requiring action by us.

5.5 You shall retain responsibility for maintaining records and associated papers concerning your tax affairs in accordance with legal requirements.

5.6 We shall not be responsible for discharging any of your statutory obligations.

### 6. Reliance on Accounts and Other Information

6.1 Unless you direct us to the contrary you authorise us to accept instructions from you and to rely upon information provided to us at your instruction, and you agree to ensure that all information provided to us in connection with any matter in respect of which we are advising, all information to be included in any document or communication to be issued in relation to any of our services, and all other information issued or to be issued in connection with any matter in respect of which we are advising, will be true and not misleading, that all statements or expressions of opinion, intention and expectation will be honestly held and made on reasonable grounds and that there will not be omitted from such information and/or document, any fact or matter the omission of which would make the whole or any part of such information, communication and/or document false or misleading.

6.2 You undertake that if anything occurs within a reasonable time after information has been provided to us to render any such information untrue, unfair or misleading, you will promptly notify us and (if required by us) take all reasonable steps to correct any communication or document issued containing, referring to or based upon such information.

### 7. Ownership

We shall retain ownership of the copyright and all other intellectual property rights in the product of the advice whether oral or tangible, and ownership of our working papers. You shall acquire ownership of any product of the advice in its tangible form on payment of our fees for any such product. For the purposes of delivering

services to you or other clients, we shall be entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the engagement or assignment.

### 8. Our Services and Responsibilities

8.1 We would refer you to Section 1 of our general Standard Terms of Business. This clause shall not prohibit our disclosure of confidential information where we wish to disclose it to our professional indemnity insurers or advisers, in which event we may do so in confidence only.

For the purposes of marketing or publishing or selling our services, we may wish to disclose that we have performed work for you, in which event we may identify you by name and we may indicate only the general nature or category of such work and any details which have properly entered the public domain.

8.2 We may supply written advice or confirm oral advice in writing or deliver a final written report or make an oral presentation on completion of any specific assignment or services. Prior to completion of the services, we may supply oral, draft or interim advice or reports or presentations but in such circumstances our written advice or final written report will take precedence. No reliance shall be placed by you on any draft or interim advice or report or any draft interim presentation. Where you wish to rely on oral advice or on an oral presentation made on completion of an assignment or services, you shall inform us and we shall supply documentary confirmation of the advice concerned.

8.3 We shall not be under any obligation in any circumstances to update any advice, report or any product of our services, oral or written, for events occurring after the advice, report or product concerned has been issued in final form, although we shall be pleased to provide such an update of advice as an additional assignment by separate written agreement.

### 9. Fees

9.1 We would refer you to Section 5 of our general Standard Terms of Business subject to the terms set out in this paragraph 9 with regard to tax advisory work.

9.2 Our fees depend on the extent of our time involvement in undertaking the relevant services and on the levels of skill and responsibility involved.

9.3 We undertake to keep you apprised of the level of our costs as each tax advisory assignment proceeds, if they are likely to exceed a quoted estimate.

9.4 Our fees may be billed in tranches, where relevant, whenever our time costs amount to £2,000 and will be due upon presentation. (All quoted fees exclude incurred expenses and Value Added Tax).

9.5 If, during the course of our work, you decide to withdraw from the engagement or separate assignment, for whatever reason, then a charge will be made for costs incurred up to that time at our normal charge rates applicable

to the nature of the work (and in accordance with paragraph 9.2).

## 10. Applicable Law

10.1 This engagement letter is governed by, and construed in accordance with English law. The Courts of England & Wales will have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter and any matter arising from it. Each party irrevocably waives any right it may have 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.

10.2 Our official and postal address for the purpose of service of documents is:  
Elfed House, Oak Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8RS.

10.3 The ICAEW require member firms to carry professional indemnity insurance and specify a minimum level for such cover, although our cover is significantly greater. We have worldwide geographical cover and worldwide jurisdiction excluding USA and Canada. Details of our insurer and policy number are set out within the legal notice page of our website. [www.watts-gregory.co.uk](http://www.watts-gregory.co.uk)

## 11. Internet communication

11.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

11.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

11.3 Further to the introduction of GDPR we can offer to encrypt email correspondence containing personal confidential information. In order for us to exchange encrypted emails, we use a software package called Egress Switch. If you would like us to proceed in this manner, please advise and we can then assist you if required. This however is not our preferred option and some clients and intermediaries have reported difficulties when utilising this software. We therefore include an opt out within our acceptance of terms.

## 12. Data Protection

12.1 To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you as described in our privacy notice. We confirm when processing data on

your behalf that we will comply with the provisions of all relevant data protection legislation and regulation, including the Data Protection Act 2018, the General Data Protection Regulation (GDPR) and any related regulations.

12.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

12.3 Our privacy notice, which can be found on our website at [www.watts-gregory.co.uk](http://www.watts-gregory.co.uk) explains how we process personal data in respect of the various services that we provide. If you cannot access our website, please request a copy from Jacqui Edwards, our Office Administrator.

## 13. Contracts (Rights of Third Parties) Act 1999

13.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this engagement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

13.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

## 14. Money laundering

14.1 As with other professional services firms deemed to be involved in a regulated activity, we are required, in order to comply with the Money Laundering Regulations 2017 (MLR) as updated for the 5<sup>th</sup> Anti-money Laundering Directive (5MLD), to identify our clients for the purposes of UK anti-money laundering legislation. We may therefore request from you and retain on file information and documentation for these purposes. If we are unable to obtain satisfactory evidence of your identity within a reasonable time, it may be necessary for us to withdraw from the appointment.

14.2 We have a duty under the Proceeds of Crime Act 2002 (POCA) 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.

14.3 The offence of money laundering is defined by POCA and includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the UK. This definition is very wide and would include :

- tax evasion through, for instance, the deliberate understatement of income or overstatement of expenses; or
- deliberate failure to inform the tax authorities of known underpayments.

14.4 We are obliged by law to report to NCA without your knowledge and consent and in fact we would commit the criminal offence of tipping off under POCA were we to inform you of any suspicions or that a report had been made.

14.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under POCA, MLR and 5MLD in accordance with the guidance published by ICAEW.

## 15. Limitation of Liability

15.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses 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 other relevant authorities.

15.2 You agree to hold harmless and indemnify us against any misrepresentation, whether intentional or unintentional, supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services provided to you by the firm against any of our employees on a personal basis.

