

## **SCHEDULE OF SERVICES – VAT Returns**

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

### **Initial registration**

1. We will register you for MTD for VAT (MTDfV). By instructing us to sign up on your behalf you are agreeing to HMRC's terms of participation. This may result in certain changes that may include changes to deadlines. You will need to complete HMRC's sign-up process to enable submission of your tax return.

### **Recurring compliance work**

2. We will prepare your MTD for VAT (MTDfV) returns on a quarterly basis. The first such return to be prepared by us will be the return for the period as discussed with you.
3. We will keep all records to meet the digital record-keeping requirements of MTDfV. You must ensure that the data provided to us is complete and accurate.

Or

We will not check the digital records which you keep to meet the requirements of MTDfV and which you provide to us for preparation of the MTDfV returns. You may be required to provide us with your data digitally and we will tell you if/when that is the case. If your software is incompatible with ours we will agree with you an appropriate solution which might include the use of alternative third-party functionally compatible software and/or a spreadsheet(s) which satisfy the statutory requirement for digital linkage. Where your digital records are incompatible with our software we may require an additional fee. You must also provide us with confirmation that your digital records are complete and accurate.

4. Based on the information that you provide to us, we will tell you how much VAT 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.
5. Where appropriate, we will calculate the partial exemption annual adjustment.
6. Where appropriate, we will calculate the annual Capital Goods Scheme adjustment.
7. We are not responsible for considering or applying for any of the exemptions from MTDfV. However, if you feel that you are eligible for exemption, please let us know. We are happy to discuss this and may correspond to HMRC on your behalf if needed, or we can guide you on whom you should contact for this.
8. We will advise you of any relaxations applicable in relation to the digital records for supplies made and received. Where the requirements are impossible, impractical or unduly onerous we will seek to reach agreement with HMRC on a specific relaxation, but this may be subject to an additional fee.

9. We will submit your MTDfV return data online to HMRC after the data to be included therein has been on the basis of the data provided, by you
10. We will agree with you any supplementary information to be submitted on a voluntary basis with the MTDfV returns prior to submission.
11. Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

#### **Ad hoc and advisory services**

12. Where you have instructed us to do so, we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:
  - advising on ad hoc transactions and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities
  - reviewing and advising on a suitable partial exemption method to use in preparing the return
  - dealing with all communications relating to your MTDfV returns addressed to us by HMRC or passed to us by you
  - making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT
  - providing you with advice on VAT and when requested.
  - work required to rectify the position where your software is incompatible with our software.
  - reviewing your record keeping processes and providing advice on potential improvements to enable compliance with the MTDfV requirements, including digital links for the transfer of data between different software.

Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you.

13. Where specialist advice is required in certain areas, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by you.

#### **Changes in the law or practice or in public policy**

14. 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 practice or in public policy or your circumstances.
15. We will accept no liability for losses arising from changes in the law or practice or in public policy that are first published after the date on which the advice is given.

## Your responsibilities

16. You are legally responsible for:

- (a) ensuring that your returns are correct and complete and in an appropriate digital format and capture the appropriate level of data
- (b) ensuring your record keeping system is compliant with the new requirements for the digital recording and transfer of data
- (c) filing any returns by the due date
- (d) making payment of VAT on time.

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

17. You cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared for you are complete before approving them.

18. Where we are keeping your digital records, you are responsible for providing us with the following information required for us to prepare the return:

- (a) sales invoices
- (b) purchase invoices
- (c) bank statements
- (d) details of bank and cash payments
- (e) details of bank and cash receipts
- (f) work-in-progress details
- (g) access to your accounting records.

We have also agreed that you will provide the following:

- (a) a record of the amounts owed to the business
- (b) a record of amounts owed by the business
- (c) a list of accruals
- (d) a list of prepayments
- (e) private use adjustments.

19. To enable us to carry out our work you agree:

- (a) that all returns are to be made on the basis of full disclosure
- (b) that you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete and that all digital links are in the manner proscribed. The returns are prepared solely on the basis of the information provided by you and we accept no responsibility for any liabilities arising due to inaccuracies, omissions or breakdowns in digital links concerning the information you provide, that may lead to a misdeclaration on which penalties and interest may arise
- (c) to authorise us to approach such third parties as may be appropriate for information we consider necessary to deal with the returns
- (d) to provide us with all the records relevant to the preparation of your quarterly returns as soon as possible after the return period ends. We would ordinarily need a minimum of 10 working days before submission to complete our work. If the records are provided later

or are incomplete or unclear, thereby delaying the preparation and submission of the return, we accept no responsibility for any penalty that may arise.

(e) to inform us that you have made the tax payment based on your calculated return.

20. You will keep us informed of material changes in circumstances that could affect your obligations, for example:

- change in the nature of your business
- change in turnover
- change of type of supply for VAT
- change in your type of business entity such as from sole trader into partnership
- acquisition or disposal of land or property etc
- starting to make supplies that are exempt from VAT
- you have reclaimed VAT within the last 10 years, having spent over £250,000 in purchasing, building or redeveloping a property, and the extent to which it is being used for taxable and/or exempt purposes has changed since you first reclaimed the VAT (ie Capital Goods Scheme adjustments will apply to this or any other items that fall within the scope of the Capital Goods Scheme).

21. Where you wish us to deal with HMRC communications, you will forward to us all communications received from HMRC such as statements of account, copies of notices of assessment and letters. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.

22. You are responsible for bringing to our attention any errors, omissions or inaccuracies in your returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.

23. If you are involved with any other business that 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.

24. 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 with HMRC any that you are not completely satisfied with.

25. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.**