

VAT RETURNS

SCHEDULE OF SERVICES – *REVIEWED 31/03/2022*

This schedule should be read in conjunction with the engagement letter and the terms of business.

1. RESPONSIBILITIES AND SCOPE FOR VAT RETURN SERVICES

1.1. Recurring compliance work

- 1.1.1. We will prepare your quarterly/annual UK MTD for VAT returns on the basis of the information and explanations supplied by you.
- 1.1.2. We will not check the digital accounting records which you keep to meet the requirements of MTD for VAT and which you provide to us for preparation of the MTD for VAT 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.
- 1.1.3. We will submit the MTD for VAT return data online to HMRC after the data to be included therein has been approved by you.
- 1.1.4. Based on the information you provide to us, we will tell you how much VAT you should pay and when. Where appropriate, we will initiate repayment claims if tax has been overpaid.
- 1.1.5. We will forward to you the completed return calculations for you to review, before you approve the UK VAT return for onward transmission by us to HMRC.
- 1.1.6. We are not responsible for considering or applying for any of the exemptions from MTD for VAT. 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. This may be subject to an additional fee.

1.2. Ad hoc and advisory services

- 1.2.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:
 - a) Reconciling VAT outputs with turnover
 - b) Advising on ad hoc transactions
 - c) reviewing and advising on a suitable partial exemption method to use in preparing the return;
 - a) dealing with all communications relating to your UK MTD VAT returns, Intrastat returns, EC Sales List returns, MOSS returns addressed to us by HMRC or passed to us by you;
 - b) making recommendations to you about the use of cash accounting, annual accounting, flat-rate and other suitable methods of accounting for VAT;

- c) making recommendations to you about the use of the VAT One Stop Shop (OSS) non-union scheme and/or the VAT Import One Stop Shop (IOSS) with effect from 1 July 2021 if you supply relevant services or goods to consumers in the EU;
 - d) advice on the VAT liability for consumers outside the UK;
 - e) providing you with advice on VAT [Excise Duty] [Customs Duty] [Landfill Tax] [Insurance Premium Tax] [Aggregates Levy] [Climate Change Levy];
 - f) work required to rectify the position where your software is incompatible with our software; and
 - g) reviewing your record keeping processes and providing advice on potential improvements to enable compliance with the MTD for VAT requirements, including digital links for the transfer of data between different software.
- 1.2.2. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

1.3. Changes in the law, in practice or in public policy

- 1.3.1. 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, practice or public policy or in your circumstances.
- 1.3.2. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

1.4. Your responsibilities

- 1.4.1. 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 is compliant with the new requirements for digital recording and transfer of data;
 - c) filing any returns by the due date; and
 - d) paying tax on time.

Failure to do any of these may lead to penalties, surcharges and/or interest.

- 1.4.2. Legal responsibility for approval of the return cannot be delegated to others. You agree to check the returns that we have prepared for you are correct and complete before approving them.
- 1.4.3. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 1.4.4. 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; the returns are prepared and reviewed 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 that you provide which 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; and
 - d) to provide us with all the records relevant to the preparation of your 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/review and submission of the return, we accept no responsibility for any 'default surcharge' penalty that may arise; if feasible, we may agree to complete your return within a shorter period but may charge an additional fee of £100 for so doing. (EC Sales Lists (21 days) and MOSS returns (20 days) have tighter submission deadlines than the normal UK VAT returns.)

- 1.4.5. 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 tell us so that we can assess its significance.
- 1.4.6. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 1.4.7. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC, in sufficient 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 form 64-8 has been 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.
- 1.4.8. You are responsible for bringing to our attention any errors, omissions or inaccuracies in your VAT returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.
- 1.4.9. 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 UK VAT registration threshold, and you 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 for equivalent non-UK taxes.
- 1.4.10. If you provide digital or other relevant services or goods to consumers in the EU you are responsible for either registering for VAT in that Member State or registering for the OSS and/or IOSS non-union scheme in a Member State.
- 1.4.11. 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 numbers that you are not completely satisfied with.
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1.5 Initial Registration

- 1.5.1 We will sign you up for MTD for VAT. By instructing us to sign up on your behalf you are agreeing to HMRC's terms of use. This may result in changes that may include changes to

deadlines. You will complete HMRC's sign up process to enable submission of your VAT return.

- 1.5.2 For new VAT clients and ones that have not previously provided authorisation only. You will need to authorise us as an agent on the HMRC portal using your Business Tax Account. This is completed online and you will need your relevant official gateway ID. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.