



Chartered Accountants  
& Business Advisers

## STANDARD TERMS OF BUSINESS (Last Revised 15 June 2016)

The purpose of this schedule is to set out the standard terms of business that apply to all engagements accepted. All work carried out is subject to these terms except where changes are expressly agreed in writing.

These standard terms of business are applicable to all types of entities (e.g. companies, LLPs, charities, friendly societies, academies, pension schemes, etc.). Any reference therefore to 'director' or 'company' should be interpreted as appropriate for the entity type (e.g. partner, trustee, governor, charity, LLP, etc.).

MBL is the trading name of MBL (Business and Tax Advisers) Ltd, Chartered Accountants.

### **1 Professional Obligations**

- 1.1 As required by the *Provision of Services Regulations 2009* (SI 2009/2999), details of the firm's professional registrations, including audit registration where applicable, can be found on our website [www.mbl.solutions/about-us](http://www.mbl.solutions/about-us).
- 1.2 We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue & Customs where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

### **Professional Indemnity Insurance**

- 1.3 In accordance with the disclosure requirements of the *Provision of Services Regulations 2009*, the details of our professional indemnity insurers can be found at [www.mbl.solutions/about-us](http://www.mbl.solutions/about-us). The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

*"Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales"*



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### 2 Investment Services

2.1 Since we are not authorised by the Financial Conduct Authority then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by our professional body, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.

2.2 Such advice may include:

- advise you on investments generally, but not recommend a particular investment or type of investment;
- refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assist you in making arrangements for transactions in investments in certain circumstances; and
- manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

2.3 For corporate clients we may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

2.4 In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken.

2.5 Where the firm is providing insurance mediation services (including fee protection), we are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Institute of Chartered Accountants in England and Wales.

The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register).



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- 2.6 Where we refer you to a Permitted Third Party (PTP), for investment business services, this may be provided by McGarvey Jones Financial Planning (MJFP). MJFP is a partner practice of St James's Place Wealth Management which is authorised and regulated by the Financial Conduct Authority. MJFP is not connected to MBL.
- 2.7 MJFP is responsible for the provision of the financial advice, in accordance with the requirements of their regulator, the Financial Conduct Authority. Where commission or other benefits become payable to MJFP, in respect of the advice they provide, they will notify you in writing of the amount and terms of payment.

### **Financial Promotions**

- 2.8 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours of 9.00 am to 5.00 pm. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

### **3 Commissions Or Other Benefits**

- 3.1 Commissions will not be payable to MBL in respect of referrals to MJFP.
- 3.2 MJFP will agree fees with you in advance of any services being provided to you. The initial advice fees will be partially shared with MBL for the provision of support in respect of any referral made to MJFP. We will notify you of the fees shared with us and seek your confirmation that we may retain these fees to cover our costs in relation to the above.
- 3.3 The firm may receive commission from any introduction to a PTP in connection with the above and we may also receive commissions for other non-regulated work, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction/completion of the work. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated. In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.
- 3.4 We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help Us To Give You The Right Service' section of this letter.



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3.5 In the event that you purchase our Tax Investigation Fee Protection Service, the service will be payable at a set rate plus VAT. We will then insure the risk with our chosen insurers.

### **4 Client Monies**

4.1 We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

4.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by the Royal Bank of Scotland for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

4.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

4.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

### **5 Fees**

5.1 Our fees are computed on the basis of time spent on your affairs by the principals and our staff, and on the levels of skill and responsibility involved. Unless otherwise agreed, for example where fees have been set in accordance with a formal fixed price agreement, our fees will be billed at appropriate intervals during the course of the year and will be due for payment strictly on 30 days of the invoice date. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs and will be billed in addition to our fees.

5.2 If it is necessary to carry out work outside the responsibilities outlined in this letter/our terms of engagement it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.



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- 5.3 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the Royal Bank of Scotland base rate plus 4% under the Late Payment of Commercial Debts (Interest) Act 1998.
- 5.4 If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.
- 5.5 Cash will not, in any circumstances be accepted in payment for services rendered. All fees should therefore be paid by cheque, bank transfer, credit card or debit card.
- 5.5 We offer an instalment payment facility via Premium Credit and full details are available upon request. No alternative instalment facilities are able to be provided by us. We accept settlement of fees by all major credit cards besides American Express.
- 5.6 We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.
- 5.7 Where the entity with whom we engage is a corporate entity (e.g. limited company or LLP) the Directors/Members of that entity guarantee to pay personally any fees (including disbursements) for services provided to the entity that the entity is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the entity or the entity otherwise being wound-up.
- 5.8 In the event that this firm ceases to act in relation to your affairs, you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.
- 5.9 In the event that the engagement cannot be completed in a timely manner as a result of outstanding information requested by us from you we may issue interim invoices part way through the incomplete engagement. Interim invoices will be payable in accordance with the terms of business set out above.
- 5.10 Interim invoices may be issued at various stages of large projects even where those projects may be incomplete. Interim invoices will be payable in accordance with the terms of business set out above.

### **6 Retention of and Access to Records**

- 6.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the completion of the engagement. You should retain these records for at least seven years from the end of the accounting year to which they relate. You should retain them for longer if HM Revenue and Customs enquire into your Returns.



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- 6.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

### **7 Conflicts of interest and independence**

- 7.1 We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, subject to 8 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are able to do so because of our confidentiality obligations. Where conflicts are identified which cannot be managed in a way that protects your interests we regret that we will be unable to provide further services.

- 7.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the code of ethics of the Institute of Chartered Accountants in England and Wales which can be viewed *as part of the Regulations and Guidance at [www.icaew.com/regulations](http://www.icaew.com/regulations)*.

### **8 Confidentiality**

- 8.1 We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.
- 8.2 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.
- 8.3 We reserve the right, for the purpose of promotional activity, training or for similar business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

### **9 Quality control**

- 9.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

#### ***Dealing with HM Revenue & Customs***

- 9.2 When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm). To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.



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9.3 We will take account of the steps and checks suggested by HMRC in their 'Agent Toolkits'. While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that HMRC consider any of your tax returns with which we assist to be inaccurate, we will be able to help you demonstrate to HMRC that reasonable care has been taken in the preparation of the return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

### **10 Help us to give you the right service**

10.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by telephoning either Tony Collier or Mike Bulcock, our Joint Managing Directors.

10.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with our professional body the Institute of Chartered Accountants in England and Wales.

10.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement schedules. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors;
- failure to pay our fees by the due dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

### **11 Applicable law**

11.1 This engagement letter is governed by, and construed in accordance with English law. The Courts will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this 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.



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11.2 If any provision in this Standard Terms of Business or any associated engagement schedules, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

**12 Changes in the law**

12.1 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

12.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.

**13 Electronic Communication**

13.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. We will not therefore provide confidential information or advice via e-mail as this is not a secure medium. Instead we will use our Virtual Cabinet Document Portal which is significantly more secure, allows you to sign documents digitally and to upload documents to us via this secure means. 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 internet communication is not an acceptable means of communication. We will transfer confidential and other data to you via our Virtual Cabinet Document Portal. By agreeing these Terms of Business you agree to the use of the Portal for all document exchanges between us and also agree to digitally sign documents in all instances where it is appropriate to do so. Please note that you can upload documents to us using the secure Portal facility which can be accessed via our web-site at:- [www.mbl.solutions](http://www.mbl.solutions) .

13.2 It is the responsibility of the recipient to carry out a virus check on any attachments received via e-mail.

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



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### 14 Data Protection Act 1998

14.1 To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you/your business/company/partnership/its officers and employees. We confirm when processing data on your behalf that we will comply with the relevant provisions of the *Data Protection Act 1998*. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Nancy Alexander.

14.2 Sections 11 and 12 of the *Data Protection Act 1998* place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times comply with the requirements of the *Data Protection Act 1998* when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.

### 15 Contracts (Rights of Third Parties) Act 1999

15.1 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 agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

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

### 16 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007

16.1 In common with all accountancy and legal practices, the firm is required by the *Proceeds of Crime Act 2002* and the *Money Laundering Regulations 2007* (SI 2007/2157) to:

- maintain identification procedures for clients and beneficial owners of clients;
- maintain records of identification evidence and the work undertaken for the client; and
- report, in accordance with the relevant legislation and regulations.

16.2 We have a duty under the *Proceeds of Crime Act 2002*, s. 330 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that another person is 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.



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16.3 The offence of money laundering is defined by the *Proceeds of Crime Act 2002*, s. 340(11) and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit. This definition is very wide and would include such crimes as:

- deliberate tax evasion;
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery.

Clearly this list is by no means exhaustive.

16.4 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

16.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the *Proceeds of Crime Act 2002* in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

### 17 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards

17.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the *International Tax Compliance (United States of America) Regulations 2013*, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HM Revenue & Customs.

17.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

### 18 General Limitation of liability

18.1 We will provide services as outlined in this letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.



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18.2 You will not hold us, our directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (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 we provide to you against any of our partners or employees personally.

18.3 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

### **19 Use of our name in statements or documents issued by you**

19.1 You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

### **20 Draft/interim work or oral advice**

20.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

### **21 Interpretation**

21.1 If any provision of our engagement letter or terms of business is held to be void for whatever reason, then that provision will be deemed not to form part of this contract, and no other provisions will be affected or impaired in any way. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

### **22 Probate-type services**

22.1 The firm is not licensed or authorised for non-contentious probate services by the ICAEW.

22.2 As we are not licensed or authorised for the reserved legal activity of non-contentious probate, any work we do for you on closely aligned activities, such as estate administration or inheritance tax advice, will not be covered by the ICAEW Probate Compensation Scheme and you will not have access to the Legal Ombudsman, nor is our advice covered by legal professional privilege.