

Standard Terms and Conditions of Business

As updated August 2024

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, partnerships, sole traders, etc.). Any reference therefore to 'director' or 'company' should be interpreted as appropriate for the entity type (e.g. partner, proprietor, etc.)

Applicable law

- 1 This engagement letter is governed by and construed in accordance with Scottish law. Each party agrees that 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.

1.1 Changes in the law

- 1.1.1 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.
- 1.1.2 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.

Professional obligations

- 2 We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of the AAT and will accept instructions to act for you on this basis.



- 2.1 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.
- 2.1.1 In particular, you give us the authority to correct errors made by HMRC where we become aware of them. In addition, we will not undertake tax planning which breaches Professional Conduct in Relation to Taxation. We will therefore comply with the general anti-abuse rule and the targeted anti-avoidance rule. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can see copies of these requirements at our offices. The requirements are also available online at www.aat.org.uk
- 2.1.2 The implications of professional body membership as it relates to GDPR are set out in the privacy notice, which should be read alongside these standard terms and conditions of business.

The Provision of Services Regulations 2009 (“Services Directive”)

- 3 In accordance with our professional body rules, we are required to hold professional indemnity insurance. Details about the insurer and coverage can be found at our offices or by request from us

Client Identification and verification

- 4 As with other professional services firms, we are required to identify and verify our clients for the purposes of the UK anti-money laundering legislation. Save in exceptional circumstances we cannot start work until this requirement has been met. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases including ID verification software.

Investment services

Investment business is regulated under the Financial Service and Markets Act 2000

- 5 Since we are not authorised by the Financial Conduct Authority then we may have to refer you to someone who is authorised by the Financial Conduct Authority or licensed by a designated professional body if you need advice on investments.
- 5.1 Such advice may include
- 5.1.1 to advise you on investments generally, but not recommend a particular investment or type of investment or
- 5.1.2 to refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA) or
- 5.1.3 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).
- 5.1.4 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;

Commissions or other benefits

- 6 In some circumstances, commissions or other benefits may become payable to us or to one of our associates in respect of transactions we or such associates arrange for you, in which case you will be notified in writing of the amount and terms of payment. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

Fees

- 7 Our fees are computed on the basis of time spent on your affairs by the principals and our staff, including sub-contractors or consultants where necessary, and on the levels of skill and responsibility involved as well as the level of risk. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

All fees are subject to an annual review. We reserve the right to increase our charges on an annual basis to reflect inflation, changes in market conditions and the cost of providing our services

- 7.1 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.
- 7.1.1 If it is necessary to carry out work outside the responsibilities agreed with you for each service, we will advise you in advance. Any additional work may 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.
- 7.1.2 Where requested, we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. 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.
- 7.1.3 In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 7.1.4 Unless otherwise agreed to the contrary, our fees do not include the costs of any third party, counsel or other professional fees.
- 7.1.5 Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. 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.
- 7.1.6 It is our normal practice to request that clients put in place direct debit facilities to pay our fees at regular intervals which shall be mutually agreed.

- 7.1.7 We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.
- 7.1.8 For companies, as directors you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.

Confidentiality

- 8 Communication between us is confidential. We shall take all reasonable steps not to disclose your information except where we are required to and as set out in our privacy notice. Unless we are authorised by you to disclose information on your behalf, this undertaking will apply during and after this engagement.
- 8.1 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality and security terms.

Conflicts of Interest

- 9 If there is a conflict of interest in our relationship with you or in our relationship with you and another client that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests, then we will adopt those safeguards.
- 9.1 Where conflicts are identified that cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services. If this arises, we will inform you promptly. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours, subject, of course, to the obligations of confidentiality referred to above.

Implementation

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



Intellectual property rights

- 11 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.

Quality control

Help us to give you the right service

- 12 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 contacting your principal contact at the firm.

12.1 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 arrangements 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

12.2 Complaints Procedure

We are committed to providing a high-quality service to all our clients. If something goes wrong, we want to know about it so we can put things right and continually improve. The following procedure explains how we will handle any complaint you may have.

12.2.1. How to Make a Complaint

If you are unhappy with any aspect of our service, please let us know as soon as possible. You can contact us in writing, by email, or by telephone using the contact details provided in our engagement letter.

Please provide as much detail as possible, including:

- What your complaint is about
- The people involved
- Any relevant dates and documents

12.2.2. Acknowledgement of Your Complaint

We will acknowledge receipt of your complaint within 5 working days and confirm who will be dealing with it. Where possible, your complaint will be handled by someone not directly involved in the matter you are complaining about.

12.2.3. Investigation and Response

We will investigate your concerns fully and fairly. This may involve:

- Reviewing the relevant file and correspondence
- Speaking with the staff members involved
- Seeking any additional information we need from you
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We aim to provide a full written response within 21 working days of acknowledging your complaint. If we need more time (for example, if the matter is complex), we will let you know and keep you updated on progress.

12.2.4. Resolution

Our written response will outline:

- Our findings following the investigation
- Any action we propose to take to resolve the matter
- Any further steps available to you if you remain dissatisfied

We hope to resolve most issues internally. However, if you are still unhappy after following our complaints process, you may have the right to refer the matter to Institute of Chartered Accountants of Scotland (ICAS) / Financial Ombudsman Service. We will provide you with the appropriate contact details if this applies.

Disengagement

- 13 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.
- 13.1 Should we have no contact with you for a period of one year or more, we may issue to your last known address a disengagement letter and thereafter cease to act.
- 13.2 We reserve the right following termination for any reason to destroy any of your documents that we have not been able to return to you after a period of six months unless other laws or regulations require otherwise.

Electronic and other communication

- 14 As instructed, we will communicate with you and with any third parties you instruct us to as set out in our covering letter and privacy notice via email or by other electronic means. The recipient is responsible for virus-checking emails and any attachments.
- 14.1 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 that are corrupted or altered after despatch. 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 accept 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 hard copy, other than where electronic submission is mandatory.
 - 14.1.1 Any communication by us with you sent through the post or DX system is deemed to arrive at your postal address two working days after the day that the document was sent.
 - 14.1.2 When accessing information held electronically by HMRC, we may have access to more information than we need and will only access records reasonably required to carry out the contract.

- 14.1.3 You are required to keep us up to date with accurate contact details at all times. This is important to ensure that communications and papers are not sent to the incorrect address.
- 14.1.4 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their dispatch. 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.
- 14.1.4 It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 14.1.5 You authorise us to accept electronic approval of your documents where appropriate.

Data Protection Act 2018

- 15 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 2018.
- 15.1 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:
 - 15.1.4 maintain identification procedures for clients and beneficial owners of clients;
 - 15.1.5 maintain records of identification evidence and the work undertaken for the client; and
 - 15.1.6 report, in accordance with the relevant legislation and regulations.

- 15.2 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.
- 15.3 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:
- 15.3.4 deliberate tax evasion;
 - 15.3.5 deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
 - 15.3.6 fraudulent claiming of benefits or grants; or
 - 15.3.7 obtaining a contract through bribery.
- Clearly this list is by no means exhaustive.
- 15.4 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.
- 15.5 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.

General Limitation of liability

- 16 We will provide services as outlined in this letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence, fraud or wilful default.
- 16.1 We will not be liable if such losses, penalties, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information, or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

- 16.1.2 In particular, where we refer you to another firm whom you engage with directly, we accept no responsibility in relation to their work and will not be liable for any loss caused by them.
- 16.1.3 We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.
- 16.1.4 We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us.
- 16.1.5 This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures that we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry beyond that which it would have been reasonable for us to have carried out in the circumstances.
- 16.1.6 You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

Limitation of third-party rights

- 17 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 that 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.

Period of engagement and termination

- 18 Unless otherwise agreed in the engagement letter our work will begin when we receive your implicit or explicit acceptance of that letter, except as stated in that letter we will not be responsible for periods before that date.
- 18.1 Each of us may terminate this 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.
- 18.1.1 In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of 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.
- 18.1.2 If you engage us for a one-off piece of work (for example advice on a one-off transaction or preparation of a tax return for one year only) the engagement ceases as soon as that work is completed. The date of completion of the work is taken to be the termination date and we owe you no duties and we will not undertake further work beyond that date.
- 18.1.3 Where recurring work is provided (for example ongoing compliance work such as the completion of annual tax returns) the engagement ceases on the relevant date in relation to the termination as set out above. Unless immediate termination applies, in practice this means that the relevant termination date is:
- 21 days after the date of notice of termination; or
 - A later agreed date

We owe you no duties beyond the date of termination and will not undertake any further work

Use of our name in statements or documents issued by you

- 19 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.

Interpretation

- 20 If any provision of our engagement letter, schedules of service or Standard 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 the remainder of this agreement shall be interpreted as if such provision had never been inserted.
- a. In the event of any conflict between these standard terms and conditions of business and the engagement letter or schedules of services, the relevant provision in the engagement letter or schedules will take precedence.

Internal disputes within a client

- 21 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 client, it should be noted that where our client is the business, 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/normal place of business] for the attention of the [directors/proprietors]. If conflicting advice, information or instructions are received from different directors/principals in the business, we will refer the matter back to the board of directors/the partnership/the LLP and take no further action until the board/partnership/LLP has agreed the action to be taken.

Reliance on Advice

- 22 We will endeavour to record all advice on important matters in writing. 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. However, bear in mind that advice is only valid at the date it is given.

Retention of Papers

23 You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you

23.1 When we cease to act for you we will seek to agree the position on access to cloud-accounting records to ensure continuity of service. This may require you to enter direct engagements with the software providers and pay for that service separately. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships

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

Companies, LLPs and other corporate entities

- six years from the end of the accounting period.

23.1.2 While certain documents may legally belong to you, we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than seven years old. This includes your documents if they have not been reclaimed by you within the seven-year period. You must tell us if you require the return of any specific document or their retention for a longer period.

23.2.2 You should retain documents that are sent to you by us as set out in the privacy notice, which should be read alongside these terms and conditions.

Provision of cloud based services

24 Where the firm provides accounting software in the Cloud, this will be provided by a third party (the 'Cloud Supplier'). The third party has signed a confidentiality agreement



with the firm to ensure compliance with the relevant clauses in the firms standard terms of business above

24.1 The service provided by the Cloud Supplier will be a discrete web based hosted facility, and you agree that access will also be provided to the firm and the third party

24.1.1 the firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that the normal service is resumed as soon as possible

The Provision of Services Regulations 2009 (“Services Directive”)

25.1 In accordance with our professional body rules, we are required to hold professional indemnity insurance. Details about the insurer and coverage can be found at our offices or by request from us

Standard Terms of business as amended August 2024

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