

## Findlay's Standard terms of business

All engagements that we accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

### 1. Professional obligations

- 1.1 We are a member of ICAS and in our conduct are subject to its Code of Ethics which can be found at [www.icas.com/ethics/icas-code-of-ethics](http://www.icas.com/ethics/icas-code-of-ethics). We will observe and act in accordance with the bye-laws and regulations of ICAS. We accept instructions to act for you on this basis.
- 1.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.
- 1.3 As required by the Provision of Services Regulations 2009 (SI 2009/2999) details of the firm's professional registrations can be found at [www.findlay-ca.co.uk](http://www.findlay-ca.co.uk)

### 2 Professional indemnity insurance

- 2.1 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Hiscox Insurance Company Limited, of 1 Great St. Helens, London, EC3A 6HX, United Kingdom. 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.
- 2.2 If for any reason circumstances arise that may result in a claim to our professional indemnity insurers, you give us your permission to notify them.

### 3 Fees

- 3.1 Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved the importance and value of the advice provided to you, and the level of risk. In addition, we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.
- 3.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this in advance. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.
- 3.3 If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.
- 3.4 If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period which the fixed fee relates to and the services covered by it.
- 3.5 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 10 days of receipt or we shall deem you to have accepted that payment is due.
- 3.6 Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in entirety.

- 3.7 Where we offer you the facility to pay your professional fees by monthly instalments. We do not charge any interest or charges [except for default charges]. As these terms have been agreed after 18 March 2015 this instalment agreement is not a regulated credit agreement.
- 3.8 You may have an insurance policy or membership of a trade or professional body that entitles you to assistance with payment of our fees in some situations. A particular example would be assistance with an investigation by HM Revenue & Customs. Unless you arranged the insurance through us then you will need to advise us of any such cover you have. Please note that you remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 3.9 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. We accept settlement of fees by certain credit cards.
- 3.10 Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all documents and records in our possession. We will only exercise this right where those documents and records relate specifically to the work undertaken on your behalf and until such times as all outstanding fees and disbursements are paid in full.
- 3.11 In the event that we cease to act for you then 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.

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

- 4.1 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 contacting a partner.
- 4.2 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 ICAS.
- 4.3 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 letters. 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.
- 4.4 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you for a period of [*insert period*] or more we may issue to your last known address a disengagement letter and hence cease to act.

#### **5 Client monies**

- 5.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The client bank account will be operated, and all funds dealt with, in accordance with the ICAS Clients' Money Regulations.

- 5.2 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed, and the client to which they relate is not able to be traced, we may deal with those monies in accordance with the ICAS Clients' Money Regulations in force at that time.
- 5.3 To avoid excessive amounts of administration, interest will only be paid to you if 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 our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 5.4 If the total sum of money held on your behalf exceeds £10,000 for a period of time of 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.
- 5.5 We will exercise reasonable skill and care to ensure that a fair rate of interest is earned.
- 5.6 Money held on your behalf in relation to probate services will be held in a separate client bank account ring-fenced for legal services. This will normally be a separate interest bearing client account for the estate in question.

## **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 preparation of your accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income 6 years from the 31 January following the end of the tax year to which they relate. Other records should be kept for 22 months after the end of the tax year they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.
- 6.2 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than 7 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. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then 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 ICAS Code of Ethics which can be viewed at <https://www.icas.com/professional-resources/ethics/icas-code-of-ethics>.

## **8 Confidentiality**

- 8.1 Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. Any subcontractors we use will be bound by the same confidentiality requirements.

## **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.

## **10 Applicable Law**

- 10.1 This engagement letter is governed by, and construed in accordance with, Scots law. The Courts of Scotland 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.
- 10.2 If any provision in these terms of business or any associated engagement letter, 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.

## **11 Changes in the Law**

- 11.1 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 the light of any change in the law or your circumstances.
- 11.2 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.

## **12 Internet communication**

- 12.1 Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.
- 12.2 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.
- 12.3 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **13 Data Protection**

- 13.1 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 / your business / company / partnership / its shareholders / members / officers and employees 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.
- 13.2 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.

- 13.3 Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf, for instance where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements 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.
- 13.4 Our privacy notice, which can be found on our website at [www.findlay-ca.co.uk](http://www.findlay-ca.co.uk) explains how we process personal data in respect of the various services that we provide.

#### **14 The Contract (Third Party Rights) (Scotland) Act 2017**

- 14.1 Persons who are not party to this agreement shall have no rights under the Contract (Third Party Rights) (Scotland) Act 2017 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.
- 14.2 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.

#### **15 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017**

- 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 2017 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.
- 15.2 The offence of money laundering 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.
- 15.3 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 these examples are 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 firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 15.5 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

#### **16 General limitation of liability**

- 16.1 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.
- 16.2 You will not hold us, the owners of this firm and any staff employed by the firm, 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 the principals or employees personally.

- 16.3 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.

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

- 17.1 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.

## **18 Draft/interim work**

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

## **19 Advice**

- 19.1 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However, if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.
- 19.2 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

## **20 Intellectual property rights**

- 20.1 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.

## **21 Internal disputes within a client**

- 21.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and 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* and take no further action until the *board/partnership* has agreed the action to be taken.

## **22 Provision of cloud-based services**

- 22.1 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 firm's standard terms of business i.e. our fees (2), Confidentiality (8), Internet Communication (12), Data Protection Act (13) and General Limitation of Liability (16).
- 22.2 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.
- 22.3 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 normal service is resumed as soon as possible.

## **23 Investment services**

23.1 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 the Institute of Chartered Accountants of Scotland, 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.

23.2 We may therefore be able to:

- 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.

23.3 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.

23.4 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.

23.5 In line with the foregoing we may refer you to Findlay & Company Financial Services Limited, a company that is authorised by the Financial Conduct Authority. The firm of Findlays has a shareholding in Findlay & Company Financial Services Limited and the firm and its partners may from time to time receive dividends or otherwise participate in the sharing of the profits of that company.

## **24 Client money**

24.1 Please note that we are not authorised to hold client money in connection with our designated investment business.

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

- 25.1 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.
- 25.2 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.

## **26 Agreement of terms**

- 26.1 Our engagement letter and these Standard Terms of Business form the whole agreement between you and us and replace all previous agreements and terms between us.
- 26.2 Either party may terminate our appointment by notice in writing to the other, stating the date with effect from which the appointment terminates. If no date is specified, termination shall be the date on which notice is received. If exceptionally it becomes necessary for us to withdraw from the appointment, then our fees for work performed up to that date will be payable by you.

## **27 Changes to these Standard Terms of Business**

- 27.1 These Standard Terms of Business may be subject to change. We will make changes by publishing them on our website. You can find the current version there. If you do not have access to our website, please contact us and a paper version of our Standard Terms of Business will be sent to you.