

## **VAT RETURNS - MAKING TAX DIGITAL**

### **SCHEDULE OF SERVICES**

This schedule should be read in conjunction with the accompanying engagement letter (which also details the standard terms and conditions).

#### **Recurring compliance work**

- 1.1 We will prepare your quarterly MTD VAT on the basis of the information and explanations supplied by you.
- 1.2 We will keep all accounting records to meet the digital record keeping requirements of MTD for VAT. You must ensure that the data provided to us is complete and accurate.
- 1.3 Based on the information that you provide to us we will tell you how much you should pay and when. If appropriate we will initiate repayment claims where tax has been overpaid. We will advise on the interest and penalty implications if VAT is paid late.
- 1.4 Where appropriate we will calculate the partial exemption annual adjustment.
- 1.5 We will submit the MTD for VAT return data online to HMRC after the data to be included therein has been approved by you.

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

- 2.1 Where you have instructed us to do so, we will also 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 discuss and agree an additional fee for this work when it is commissioned by you. Examples of such work include:
  - Reviewing and advising a suitable partial exemption method to use in preparing the return;
  - Dealing with all communications relating to your VAT returns addressed to us by HMRC or passed to us by you;
  - Making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT;
  - Making recommendations to you about the use of the VAT One Stop Shop (OSS) Union and/or non-Union scheme and/or VAT import One Stop Shop (IOSS) if you supply relevant services or goods to consumers in the EU;
  - Advising on the VAT liability of supplies of goods or services to consumers outside Great Britain.
  - Providing you with advice on VAT as and when requested. Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you.
- 2.2 Where specialist advice is required in certain areas we may need to seek this from or refer you to appropriate specialists.

#### **Changes in the law**

- 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 or your circumstances.
- 3.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published on or after the date on which the advice is given.

#### **Your responsibilities**

- 4.1. You are legally responsible for:
  - (a) Ensuring that you are enrolled into MTDfV (if applicable);
  - (b) Ensuring that your returns are correct and complete;
  - (c) Filing any returns by the due date; and
  - (d) Making payment of tax on time.

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

Legal responsibility for approval of the return cannot be delegated to others. You agree to check the returns we have prepared for your business are correct and complete before approving them.

You are no less responsible for errors in unapproved returns, submitted on the basis of information provided to and processed by us, than if you had confirmed your approval of the returns.

4.2 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 VAT returns are prepared 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 you provide which may lead to a misdeclaration on which penalties and interest may arise;
- (c) That we can approach such third parties as may be appropriate for information we consider necessary to deal with the VAT returns; and
- (d) To provide us with all the records relevant to the preparation of your quarterly VAT returns as soon as possible after the return period ends. We would ordinarily need a minimum of 5 days before submission to complete our work. If the records are provided later or are incomplete or unclear thereby delaying the preparation and submission of the VAT return, we accept no responsibility for any default surcharge penalty that may arise. Where feasible we may agree to complete your return within a shorter period.

4.3 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 let us know so that we can assess the significance.

4.4 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 or online authorisation 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 and in most cases, will not do so.

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

4.6 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 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.

4.7 Where you are importing relevant goods into the EU to be supplied to non-taxable persons (final destination of the goods being within the EU), the IOSS can be used by both EU and non-EU established suppliers. If you are importing goods into the EU to be supplied to non-taxable persons but do not or cannot use the IOSS then you will probably have to VAT register in the Member State of importation.

4.8 If you are making distance supplies of goods within the EU, eg France to Germany (B2C), you can use the Union One Stop Shop (OSS). The non-Union OSS can be used for **any** services where the place of the supply of the service is in the EU and the supplier is non-EU established (B2C again).

4.9 There may be other circumstances where the Union or non-Union OSS can be used, eg domestic supplies of goods by deemed suppliers, but, broadly, If you are not within any of the above, you may need to VAT-register in the Member State in which you make the supply of the goods or services.

### **Limitation of liability**

Our services as set out above are subject to the limitations on our liability set out in the standard terms and conditions of business in our engagement letter.