

CROSSLEY & CO CHARTERED ACCOUNTANTS

SCHEDULE 9 – TRUSTS AND ESTATE TAX RETURNS

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

1 RESPONSIBILITIES AND SCOPE FOR TRUST/ESTATE TAX RETURN SERVICES

1.1 RECURRING COMPLIANCE WORK

- 1.1.1 We will prepare:
- a) the trust's/estate's] self-assessment tax returns, together with any supplementary pages required;
 - b) all inheritance tax returns required from the information and explanations that you provide to us. After obtaining evidenced approval from you, we will submit your returns to HM Revenue & Customs (HMRC).
- 1.1.2 Under anti-money laundering legislation trustees are obliged to maintain accurate and up-to-date records in writing of beneficial owners and report specified information about the trust to HMRC.

The trustees will be responsible for annually updating or confirming that no change is required to the details of settlors, trustees and beneficiaries on the trust register maintained by HMRC. For the purposes of completing the self-assessment return, the trustees undertake to provide us with confirmation that the annual update, or confirmation that no change is required, has been completed on HMRC's trust register.

- 1.1.3 You will be solely responsible for compliance with the International Tax Compliance (United States of America) Regulations 2013 as a result of the USA Foreign Account Tax Compliance Act (FATCA).
- 1.1.4 You will be responsible for compliance with these regulations and any obligations arising from the Common Reporting Standards, including the initial categorisation, registration of the trust with the IRS (or other applicable authority) and the filing of annual returns with HMRC

1.2 EXCLUDED, AD HOC AND ADVISORY WORK

- 1.2.1 The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation, ad hoc and advisory services as may be agreed between us from time to time. These may be the subject of a separate engagement letter at our option. If appropriate we will agree with you a separate fee for any such work that you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:
- a) advising on whether trusts – including any non-taxable trusts – should be registered on HMRC's trust registration service
 - b) advising you of the occasions of charge to inheritance tax, the basis of the charge and when the tax liability is due for payment;
 - c) advising on ad hoc transactions (for example the sale of assets held by the [trust] [estate]);
 - d) preparing inheritance tax returns;
 - e) dealing with any enquiry opened into the tax returns by HMRC; and
 - f) dealing with any enquiries and/or assessments raised by HMRC in relation to inheritance tax.
- 1.2.2 If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

1.3 CHANGES IN THE LAW, IN PRACTICE OR IN PUBLIC POLICY

- 1.3.1 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or in your circumstances.
- 1.3.2 We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

1.4 YOUR RESPONSIBILITIES

- 1.4.1 As trustees/executors you have legal responsibility for:
- a) ensuring that the trust's/estate's tax returns are correct and complete;
 - b) filing any returns by the due date;
 - c) paying tax on time; and
 - d) ensuring that the trust is recorded on HMRC's Trust Registration Service.

Failure to do any of the above may lead to penalties and/or interest.

- 1.4.2 Legal responsibility for approval of the return cannot be delegated to others. As Trustees/Executors you agree to check that the returns that we have prepared are correct and complete before approving them.
- 1.4.3 You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 1.4.4 To enable us to carry out our work, you agree:
- a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
 - b) to provide all information necessary for dealing with the [trust's] [estate's] taxation affairs; we will rely on the information being true, correct and complete and will not audit the information;
 - c) to provide all information necessary for dealing with the trust's/estate's registration and updates on HMRC's trust register, eg details of settlors, beneficiaries and trustees; we will rely on the information being true, correct and complete and will not audit the information;]
 - d) to advise us of distributions made within 30 days of such an event;
 - e) to provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of all UK property disposals, including disposals of shares in property rich companies, must be advised prior to exchange of contracts on any property disposal. If information is received after this, we cannot guarantee that we can provide advice on the amount of capital gains tax due or submit an in-year return within 30 days of the completion of the disposal;
 - f) to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with the trust's/estate's taxation affairs;
 - g) to provide us with information in sufficient time for the trust's/estate's self-assessment tax returns to be completed and submitted by the 31st January following the end of the tax year; to do this, we need to receive all relevant information by 1st January; if feasible, we may agree to complete your return within a shorter period but may charge an additional fee.
- 1.4.5 You will keep us informed of material changes in circumstances that could affect the income, capital gains and inheritance tax liabilities of the trust/estate. If you are unsure whether the change is material, please tell us so that we can assess its significance.
- 1.4.6 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC by you in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us when form 64-8 has been submitted, it is still essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of all communications issued to you.
- 1.4.7 You are reminded that, under the Trustee Act 2000, it is your responsibility to regularly review the trust investments and to have a clear investment policy.