

Thank you for the opportunity to work with you and advise you on income tax compliance and advisory services. The purpose of this letter is to set out a clear understanding of the nature of our involvement as the preparers of your 2023 tax return and your responsibilities as the taxpayer. As such, we ask you to confirm the following engagement details. Please sign, date and return this letter to us as soon as possible.

Providing complete and accurate information will allow us to prepare your tax return timely and efficiently. With this in mind, we have attached a questionnaire and checklist to assist in including all of the required information.

### **It is understood and agreed that:**

1. The accuracy of the information and completeness of the representations reflected in your return is your responsibility under the Income Tax Act. You represent that the information supplied to us is, to your knowledge, correct and complete, and fully discloses all of your reporting requirements under the Income Tax Act.
2. You confirm that you have provided us with all income and deduction items to be included in your tax return and that they are correct and complete. You confirm that all sources of income have been disclosed, all deductions were incurred to earn income, and all credits claimed are supported by receipts.
3. If you sold your home in 2023, you must report the sale on your tax return, even if it was your principal residence for the whole time you owned it. There are significant fines for not reporting.
4. If you owned certain property outside of Canada totalling more than \$100,000 at any time during 2023, it may be necessary for you to declare such ownership on your tax return. There are substantial fines and penalties for non-compliance.
5. The rules for filing annual Trust Returns (T3) have changed for tax years ending on or after December 31, 2023. Some Trusts, for example Bare Trusts, now have to file annual T3 Trust Returns for the first time. A **Bare Trust** exists when an individual is listed as a legal owner of property/accounts however is not the beneficial owner. T3 Trust Returns are due 90 days after the Trust's year-end. Significant fines will apply for late or non-reporting of non-beneficial ownership of assets. As taxpayer, it is your responsibility to report and file any applicable T3 Trust Returns.
6. You are not aware of any illegal or possibly illegal acts for which you have not disclosed to us all facts related thereto.
7. We will not audit or otherwise attempt to verify the accuracy or completeness of any information provided. It is up to you to provide us with accurate and complete information necessary to prepare your personal income tax return. We will rely entirely on your representation.
8. If requested by you, we will assist you in providing additional information or explanations related to our preparation of your return should any taxation authorities subsequently request it.
9. Upon completion of your return, a copy of your tax return will be made available to you. You are responsible for verifying the contents and addressing all matters enclosed within the required deadlines. Failure to do this may result in significant interest and penalties, for which we are not responsible.

### **Fees**

The fees for our services will be based on time spent on the engagement at our standard billing rates and are due when services are rendered. **We request that our invoice be paid prior to our electronically filing the return with the Canada Revenue Agency.**

**Confidentiality**

We will maintain in confidence the information you give us. Accordingly, without your consent, your personal information will not be disclosed to individuals outside our firm or used by anyone in our firm other than those who are involved in preparing your tax return and/or providing related services.

**Communications**

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier, and email transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from disclosure or communication of confidential or proprietary information.

**Indemnity and limitation of liability**

To the fullest extent permitted by applicable law and professional regulations, you hereby agree to indemnify, defend (by counsel retained and instructed by us) and hold harmless Baumgartner & Company Chartered Professional Accountants and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees on a full indemnity basis), damages, expenses, claims, demands and liabilities ("Losses") arising out of or in consequence of a third-party due to (a) a misrepresentation by you, or (b) the Services, unless and to the extent that such Losses are found by a court of competent jurisdiction to have been due to our gross negligence or intentional misconduct.

The total liability assumed by our firm for any claim, loss or damage arising out of or in connection with this Engagement, regardless of the form of action, claim, loss, or damage, shall in no event exceed the aggregate of the professional fees paid to our firm for the Engagement that has given rise to the claim.

**Environmental responsibility**

Our firm is committed to acting in an environmentally responsible manner. Therefore, we have chosen to print summaries of standard slips and schedules. Following Canada Revenue Agency's guidelines, we will maintain a full electronic copy of your tax return for the six years following the tax year. If you require a detailed copy of your return, we will be happy to provide one upon request.

If you have any questions or wish to discuss any aspect of this engagement, please phone us at 780-484-1133 or email us at Info@BandCompany.ca.

Sincerely,



Rick Baumgartner CPA, CGA

**Consent and Agreement**

By signing below, you consent to the following:

1. All filings made on your behalf will be transmitted electronically to Canada Revenue Agency. This includes personal tax, information slips, and any other documents that can be transmitted electronically.
2. The services and terms as set out above are as agreed.
3. As well, the undersigned individual acknowledges and accepts responsibilities as the taxpayer as outlined above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please print name: \_\_\_\_\_