

## **Dealings for Clients**

### **Anti money laundering legislation**

All accountants must comply with onerous duties imposed by the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 (the “Anti Money Laundering Legislation”), which are intended to inhibit the activities of terrorists and other criminals by denying them access to technical expertise. If we fail to perform these duties, we risk imprisonment.

Before we accept your instructions, we may need to obtain ‘satisfactory evidence’ to confirm your identity. In certain circumstances, we may need to obtain evidence confirming the identities of third parties, the source of any funds or other property, the purpose of any instructions or any other matter. We may also need to obtain such evidence after we have begun to act on your instructions.

We assume that our clients are honest and law abiding. However, if at any time, there appear to be grounds to suspect (even if we do not actually suspect) that your instructions relate to ‘criminal property’, we are obliged to make a report to the National Crime Agency (“NCA”), but we are prohibited from telling you that we have done so.

In such circumstances, we must not act on your instructions without consent from NCA. If NCA do not refuse consent within 7 working days we may continue to act. If NCA issue a refusal within that time, we must not act for a further 31 days from the date of the refusal.

‘Criminal property’ is property in any legal form, whether money, real property, rights or any benefit derived from criminal activity. It does not matter who carried out the criminal activity or how removed the property is from the original crime. Even if you are honest in your dealings, if your property represents a benefit from someone else’s crime, we must still make a report.

Activity is considered ‘criminal’ if it is a crime under UK law, no matter how trivial. For example, tax evasion is a criminal offence but an honest mistake is not. We will assume that all discrepancies are mistakes unless there is contrary evidence.

### **Client monies**

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm’s funds.

If the total sum of money held on your behalf exceeds £2,000 for a period of more than 2 months, or such sum is likely to be held for more than 2 months, then the money will be placed in an interest-bearing client bank account. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

If there are grounds to suspect (even if we do not actually suspect) that any monies held in a client account is derived directly or indirectly from any criminal activity whatsoever, we may not release such monies until we receive permission to do so from NCA.

**Fees** (*explain the basis for calculating and charging fees*)

Our fees are computed on the basis of time spent on your affairs and the responsibility and skill involved by the partners and staff of this firm. Unless otherwise agreed, our fees will be charged separately for each main class of work mentioned above and will be billed at appropriate intervals during the course of the year.

Unless specifically agreed, payment of our invoices is due within 7 days from the date of the invoice.

**Or** (*for example*)

It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.

Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate stated on the invoice, which is currently .....% (APR.....%) [or, at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher].

{The following clause may be appropriate if the client is a limited company} In the event that the company is unable to meet its liability in respect of our outstanding fees as and when they fall due then the company's directors would be personally, jointly and severally liable in respect of our outstanding fees.

**Commissions or other benefits**

In some circumstances, commissions or other benefits may become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits.

Any commission received will be paid to you.

**Or**

While we are required to account to you for commissions received, you agree that we may retain any such commissions.

**Or**

Any commission received will be paid to you unless we specifically agree a different basis of accounting for such commissions as appropriate to reflect charges for the relevant services provided by us.

**Ownership of records**

In the event of non-payment of our fees for services rendered, we may exercise a particular right of lien over the books and records in our possession and withhold the documents until such time as payment of our invoice is received in full.

## **File destruction**

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 seven years old, other than documents which we think may be of continuing significance. If you require the retention of any document, you must notify us of that fact in writing.

## **Ethical guidelines**

We will observe the ethical guidelines of the Association of Accounting Technicians and accept instructions to act for you on the basis that we will act in accordance with those guidelines. A copy of these guidelines will be supplied to you on request.

## **Customer service**

We are committed to providing a high standard of customer service. If you have any ideas as to how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know. In the event that you have a complaint, we will look into this carefully and promptly and do all we can to explain the position to you or address your concerns. If you are still not satisfied you may of course make a complaint to the Association of Accounting Technicians.

## **Third parties**

All accounts, statements and reports prepared by us are for your exclusive use within your business or to meet specific statutory responsibilities. They should not be shown to any other party without our prior consent.

No third party shall acquire any rights pursuant to our agreement to provide professional services.

## **Applicable law**

This engagement letter is governed by, and construed in accordance with, English law. The Courts of England 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.

## **Disclaimer**

We will not be liable for any loss suffered by you or any third party as a result of our compliance with the Anti Money Laundering Legislation or any UK law or at all.

## **Agreement of terms**

Once agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.

Would you please confirm your agreement to the terms set out in this letter by signing and returning the enclosed copy. If anything is unclear to you or you require any further information please let me know.

Yours faithfully

I/We\* confirm that I/we\* have read and understood the contents of this letter and agree that it accurately reflects the services that I/we\* have instructed you to provide.

Signed: .....

Dated: .....

For and On behalf of the Client

Signed: .....

Dated: .....

For and on behalf of EP Associates

The logo consists of the letters 'EP' in a large, white, serif font, centered within a light orange square. This square is overlaid on a background of several concentric, light orange circles.