



Chartered Accountants  
Business Advisers

# Standard Terms of Business

# Standard Terms of Business

The following Standard Terms of Business apply to all engagements accepted by McEwan Wallace Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing.

## 1. Professional obligations

- 1.1. Details of the firm's professional registrations can be found at [www.mcwallace.co.uk/about-us](http://www.mcwallace.co.uk/about-us).
- 1.2. We will observe and act in accordance with the byelaws, regulations and ethical guidelines of The Institute of Chartered Accountants in England and Wales (ICAEW) and accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue and Customs where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. Copies of these requirements are available for inspection in our offices. Details of the ICAEW 'Code of Ethics' can be found at [www.icaew.com/en/technical/ethics/icaew-code-of-ethics](http://www.icaew.com/en/technical/ethics/icaew-code-of-ethics) and the Auditing Practice Board Ethical Standards at [www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx)

## 2. Professional indemnity insurance

- 2.1. In accordance with the disclosure requirements of the Services Regulations 2009, our professional indemnity insurer is AIG Europe Limited, of AIG Building, 58 Fenchurch Street, London, EC3M 4AB. 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.

## 3. Investment services

- 3.1. 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 our professional body, 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.
- 3.2. Such advice may include:
  - 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 done of a power of attorney) where decisions to invest are taken on the advice of an authorised person.
- 3.3 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.
- 3.4 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.
- 3.5 Where the firm is providing insurance mediation services (including fee protection), we are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by our professional body . The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register)

#### **Financial Promotions**

- 3.6 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

#### **4. Commissions or other benefits**

- 4.1 Commissions or other benefits may sometimes 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. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

#### **5. Client monies**

- 5.1. 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. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of The Institute of Chartered Accountants in England and Wales.
- 5.2. In order to avoid an excessive amount of administration, interest will only be paid to you where 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 HSBC Bank plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

- 5.3. If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for 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.
- 5.4. We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

## **6. Fees**

- 6.1. Our fees are computed on the basis of time spent on your affairs by the principals and our staff, and on the levels of skill and responsibility involved, or as otherwise agreed. In all cases our fees will include out-of-pocket expenses and VAT will be charged at the appropriate rate.
- 6.2. If it is necessary to carry out work outside the responsibilities outlined in this letter we will advise you in advance. Any additional work will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.
- 6.3. Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.
- 6.4. It is our normal practice to request that clients make arrangements to pay a proportion of their fee monthly. Our preference is to receive a Direct Debit. These monthly payments will be applied to fees arising from work agreed in the 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.
- 6.5. We reserve the right to add an interest charge in accordance with the Late Payment of Commercial Debts (interest) Act 1998, on any bills remaining unpaid 30 days after presentation. 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.
- 6.6. In the event that this firm ceases to act in relation to your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

## **7. Retention of and access to records**

- 7.1. 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 /audit of your financial statements/returns. You should retain these records for at least 6 years from the date any tax submission were made. You should retain them for longer if HMRC enquire into your tax submissions.
- 7.2. 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 seven 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.

## **8. Conflicts of interest and independence**

8.1 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, subject to 8 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you.

8.2 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 Code of Ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at <https://www.icaew.com/en/membership/regulations-standards-and-guidance/ethics> section 3, subsection 220.

## **9. Confidentiality**

9.1. We confirm that where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

9.2. You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality, it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

9.3. In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.

9.4. You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.

9.5. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

9.6. If we use external or cloud based systems, we will ensure confidentiality of your information is maintained.

9.7. We reserve the right, for the purpose of promotional activity, training or other business purposes, to mention that you are a client. As stated above, we will not disclose any confidential information.

## **10. Quality control**

10.1. As part of our ongoing commitment to providing a high 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.

## **11. Dealing with HM Revenue & Customs**

- 11.1. When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your submissions and returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm) To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.
- 11.2. We will take account of the steps and checks suggested by HMRC in their 'Agent Toolkits'. While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that HMRC consider any of your tax submissions and returns with which we assist to be inaccurate, we will be able to help you demonstrate to HMRC that reasonable care has been taken in the preparation of the return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each submission and return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

## **12. Help us to give you the right service & our complaints procedure**

- 12.1. 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 telephoning or emailing Kris Billington on 0151 647 6681 or [kbillington@mcwallace.co.uk](mailto:kbillington@mcwallace.co.uk)
- 12.2. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with The Institute of Chartered Accountants in England and Wales.

ICAEW  
Level 1, Metropolitan House  
321 Avebury Boulevard  
Milton Keynes  
MK9 2FZ

Or email [general.enquiries@icaew.com](mailto:general.enquiries@icaew.com)

- 12.3. 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.
- 12.4. In addition this agreement may be terminated for any reason if 90 days notice is given.

## **13. Applicable law**

- 13.1. This Standard Terms of Business 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 these Standard Terms of Business 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.
- 13.2. If any provision in this Standard 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

#### **14. Changes in the law, in practice or in public policy**

- 14.1. 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 light of any change in the law, public policy or your circumstances.
- 14.2. 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 to the fullest extent permitted by applicable law.

#### **15. Internet communication**

- 15.1. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, 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. We will never change our bank details without confirming this to you by posted letter. Any emailed or telephoned communications appearing to be from us, which are not confirmed by post, are fake and we accept no liability for any loss caused to you through accepting such communications as genuine. Similarly, always give us by hand or by post (as well as by email) details of your bank account.
- 15.2. It is the responsibility of the recipient to carry out a virus check on any attachments received.

#### **16. Data Protection**

- 16.1. To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you/your business/company/partnership/its officers and employees and shareholders. We confirm when processing data on your behalf that we will comply with the relevant provisions of applicable data protection legislation. You will ensure that any disclosure of personal data to us complies with such legislation. If you supply us with any personal data or confidential information, you shall ensure you have full informed consent to pass it to us and will fully indemnify and hold us harmless if you do not have such consent and that causes us loss. If you are supplying us with personal data on the basis of a power of attorney for anyone, you must produce to us an original or certified power of attorney on demand.
- 16.2. Applicable data protection legislation places express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An

example would be where we operate a payroll service for you. We therefore confirm that we will at all times use our reasonable endeavours to comply with the requirements of applicable data protection legislation when processing data on your behalf. In particular, we confirm that we have adequate security measures in place and that we will aim to comply with any obligations equivalent to those placed on you as a data controller.

- 16.3. We will notify you within 10 working days if an individual asks for copies of their personal data, makes a complaint about the processing of personal data or serves a notice from a relevant data protection authority. You and we will consult and cooperate with each other when responding to any such request, complaint or notice. If an individual whose data you have supplied to us or which we are processing on your behalf asks us to remove or cease processing that data, we shall be entitled to do so where required by law.
- 16.4. We may export personal data you supply to us outside the EU/EEA/UK for the purposes of storage and data processing. We will ensure all such data export is compliant with relevant data protection legislation. You consent to such data export. Where cloud based services are to be used you may be subject to our cloud services terms and conditions. Wherever possible we will seek to ensure personal data is stored within the UK.
- 16.5. We will answer your reasonable enquiries to enable you to monitor compliance with this clause.

## **17. Limitation of third party rights**

- 17.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 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.
- 17.2 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, unless we have expressly agreed in writing that a specified third party may rely on our work. We will accept no responsibility to third parties, including any group company to whom engagement letter is not addressed, your spouse nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

## **18. Client Identification**

- 18.1. 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; and persons purporting to act on behalf of clients;
  - Maintain records of identification evidence and the work undertaken for the client; and
  - Report, in accordance with the relevant legislation and regulations.

We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence. In fulfilment of our legal obligations, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

- 18.2 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.



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

- 19.1. 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.
- 19.2. 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.

## **20. General Limitation of liability**

- 20.1. We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. 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. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control. Subject to clause 18.5 below, our liability to you shall be limited as set out in our engagement or other client letter.
- 20.2. You will not hold us, our principal(s)/director(s), shareholders and staff, 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. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. However, this exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures, which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.
- 20.3. You agree that you will not bring any claim in connection with services we provide to you against any of our partners, shareholders, directors or employees personally.
- 20.4. 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. You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it and our legal fees on an indemnity basis.
- 20.5. Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by negligence nor for fraudulent misrepresentation or other fraud, which may not as a matter of applicable law be excluded or limited.

## **21. Intellectual property rights and use of our name**

- 21.1. 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.

- 21.2. We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise. You may only use such rights to the extent we agreed when engaged to provide services to you and may not resell or sublicense such rights without our further prior consent.

## **22. Draft/interim work or oral advice**

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

## **23. Interpretation**

- 23.1. If any provision of our engagement letter or Standard Terms of Business is held to be void for whatever reason, then that provision will be deemed not to form part of our contract and no other provisions will be affected or impaired in any way. In the event of any conflict between these Standard Terms of Business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

## **24. Internal disputes within a client**

- 24.1. If we become aware of a dispute between the parties who own the business, or who are in some way involved in its ownership and management, it should be noted that our client is the business (unless we have agreed otherwise) 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. In certain cases, we reserve the right to cease acting for the business/client entirely.

## **25. Disengagement**

- 25.1. If we resign or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

## **26. Staff**

- 26.1. Our staff are assigned to you on the mutual understanding that neither party would offer employment to, nor employ, the staff of the other who has been involved during our assignment, or dealing with you, within 12 months unless written consent has been obtained from either party. If such consent is given either party reserves the right to bill an appropriate fee of 24% of the annual salary on appointment plus VAT.

## **27. About McEwan Wallace**

- 27.1. McEwan Wallace is the trading name of McEwan Wallace Limited. Company number 06893764. Company registered in England & Wales. Registered office 68 Argyle Street, Birkenhead, CH41 6AF. A list of directors is available at the above address.
- 27.2. McEwan Wallace observes the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants (England & Wales).
- 27.3. Full contact details for the firm are as follows:
- |                  |  |
|------------------|--|
| Postal address   | 68 Argyle Street<br>Birkenhead<br>Wirral<br>CH41 6AF                     |
| Telephone        | (0151) 647 6681  |
| Fax              | (0151) 666 2115  |
| Email address    | <a href="mailto:enquiries@mcwallace.co.uk">enquiries@mcwallace.co.uk</a> |
| Website          | <a href="http://www.mcwallace.co.uk">www.mcwallace.co.uk</a>             |
| VAT registration | 163 7345 57  |
- 27.4. The firm is registered to carry out audit work in the UK by the ICAEW. Details about the firm's audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C003538369.
- 27.5. The firm is also registered to carry out audit work in Ireland by the ICAEW. Details about this registration can be viewed at [www.cro.ie/Services/Auditor-Search](http://www.cro.ie/Services/Auditor-Search) under reference number EWC003538369.
- 27.6. The firm's audit work is carried out in accordance with Audit Regulations and Guidance, details of which can be found at [www.icaew.com/auditnews](http://www.icaew.com/auditnews), together with International Standards on Auditing (UK and Ireland), which are set out at [www.frc.org.uk/apb](http://www.frc.org.uk/apb).

## **28 Agreement of Terms**

Please note that your continuing instructions will amount to your acceptance of these terms of business.