

ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your ATED returns (potentially required, in respect of chargeable periods from 1 April 2018, for any residential dwelling with an April 2017 value in excess of £500,000), and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 The Directors are responsible for providing us with a complete list of all relevant properties, their dates of acquisition and their valuations, along with any other information we may require. The list should incorporate any UK dwelling with a 1 April 2017 (or acquisition date if later) value in excess of £500,000 and we will advise as and when each property needs to be reported on an ATED return. For chargeable periods ending on or before 31 March 2018, the value of the dwelling on 1 April 2012 may be relevant, and we will advise you where this is the case, as necessary.
- 1.2 The Directors agree to inform us of any impending purchases of properties that will need to be declared on an ATED return. In some cases an ATED return and payment is required just 30 days after the purchase date and so prompt communication is required.
- 1.3 The Directors, on behalf of the company, are legally responsible for:
 - (a) ensuring that the ATED return(s) for each year to 31 March is/are correct and complete;
 - (b) filing the ATED return(s) by the due date of April following the start of the ATED return period*;
 - (c) making payment of the ATED by 30 April following the start of the ATED return period*. Failure to do this may lead to penalties and/or interest; and,
 - (d) ensuring any further return(s) that may be required to report any additional ATED liability is/are correct and complete, filing any such further return(s) and making payment of any such additional liabilities, in each case within applicable time limits.

** In some cases and in particular in the year in which the property is first acquired (see 1.2 above), the filing and payment deadline may be extended or otherwise adjusted. We will advise you where this is the case.*

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

Legal responsibility for the returns cannot be delegated to others. You agree to check that returns we have prepared for the company are complete before you approve and sign 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.

- 1.4 To enable us to carry out our work the Directors agree:
 - (a) that all ATED returns are to be made on the basis of full disclosure of all UK dwellings (and relevant interest in UK dwellings), and their uses and occupation;
 - (b) to provide full information and documents necessary for dealing with the ATED return(s) (including, but not limited to, sales (or other disposals) and acquisitions and changes in use or occupation, of relevant dwellings). We will rely on the information and documents being true, correct and complete and will not audit the information or those documents;

- (c) to take any necessary steps to agree the open market value of each relevant property on 1 April 2017, or the date of acquisition if later, to be declared on the ATED return(s), and where the relevant property is still held, as revalued every five years (from 1 April 2017) thereafter. We will also advise, on the basis of the information and documents provided under (b) above, in any case where some other valuation date (such as 1 April 2012) is relevant to any ATED return or further return;
- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the ATED return(s); and
- (e) to provide us with information in sufficient time for the company's ATED return(s) to be completed and submitted by the due date outlined above. In order that we can do this we need to receive all relevant information by the date specified in **Key Facts**. Where feasible we may agree to complete your ATED return(s) within a shorter period but may charge an additional fee for so doing; and,
- (f) to take such steps and provide such information to HMRC as may be necessary for the company to register with HMRC for the filing of ATED returns, including the ATED online filing service.

References to ATED returns above include any further return(s) referred to in paragraph 1.3.1.5 The Directors will keep us fully and promptly informed of event or material changes in circumstances (including but limited to, sales (or other disposal) and acquisitions, and changes in use or occupation, or relevant dwellings) that could affect the ATED liabilities of the company. If the Directors are unsure whether a change is material, please let us know so that we can assess its significance.

1.6 You will forward to us relevant HMRC statements of account, copies of notices of assessment, letters and other communications in time to enable us to deal with them as may be necessary within the statutory time limits. Any existing 64-8 (agent authority) does not cover the ATED return(s) and HMRC may be unprepared to deal with us on your behalf until after the time that the first return(s) have been filed, listing us as your agent, or as otherwise may be required by HMRC.

2 Our responsibilities as accountants

- 2.1 We will prepare the company's ATED return(s), including where appropriate any Relief Declaration Return (a short type of ATED return), based on the information and explanations you provide to us.
- 2.2 We will advise you as to any reliefs that can be claimed against the ATED. Where instructed by you, we will claim such reliefs on the ATED return(s).
- 2.3 After obtaining the written approval and signature of the proper officer or other person authorised to act for the company in this regard, we will submit the ATED return(s), or provide assistance to enable the company to submit the ATED return(s) online to HMRC.
- 2.4 We will tell you how much ATED the company should pay and when. We will advise on the interest and penalty implications if ATED is paid late.
- 2.5 We will advise whether any further return (and liability to make an additional payment of ATED) is required to be made (and paid), and take action in relation to such return as corresponds to that in paragraphs 2.1 to 2.4 above for ATED return(s).
- 2.6 We will deal with the recovery of any overpaid ATED, following a relevant event or change in circumstances (e.g. the disposal of a relevant dwelling).