

## **C2M TAX ENGAGEMENT LETTER**

This letter of engagement is issued as recommended practice by the South African Institute of Chartered Accountants. This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide and your responsibility as a taxpayer.

### **Scope of your responsibilities**

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 complete and accurate information in respect of your financial affairs to prevent penalties being levied. Should you not provide us with all the required information we cannot be held accountable, and you indemnify and hold us harmless against any claims as a result of your failure to provide us with all relevant information.

### **Scope of our tax compliance services:**

#### **General**

We undertake to advise you on general matters relating to your normal tax liability, the implications of particular business transactions, and on related matters that you refer to us, such as employee benefits and pensions (e.g., fringe benefits, share option arrangements, salary structures, pension schemes). You will appreciate that tax planning and advice of the highest standards are based on both interpretation of the law and our experience with SARS (South African Revenue Service). Therefore, the conclusions reached and views expressed are often matters of opinion rather than of certainty.

#### **Assessments**

For the purpose of assessment, we shall prepare a computation of taxable income in respect of each tax year in accordance with the provisions of the Income Tax Act, subject to your approval. Authorisation is required from you in writing to file the return electronically (SARS e-filing) and by signing this letter you authorise C2M to do so. During the process we value regular contact and working with you as this facilitates close relationships and good communication.

If required by SARS, we will submit all relevant supporting documents to SARS. We shall respond to any queries raised by SARS on the computations, reporting to you and advising as necessary on any contentious or disputed matters, and, if necessary, negotiate an amended assessment and advise you of liabilities and due dates of payment. We shall lodge notices of objection against incorrect assessments when such assessment notices are received by us.

Payments in respect of assessments will only be initiated by us on your written instruction.



## **Provisional Tax**

We shall also advise as to appropriate provisional tax payments.

A provisional taxpayer is defined as any:

- Person (other than a company) who derives income, other than remuneration or an allowance or advance as contemplated in section 8(1)
- Company
- Trust
- A person who is notified by the Commissioner that he/she is a provisional taxpayer.

**Paragraph 19 of the Fourth schedule** state that provisional taxpayers must, during every period, submit an estimate of the total taxable income which will be derived by the taxpayer in respect of the year of assessment for which the provisional tax is payable. IRP6 returns for the first and second periods **must** be submitted even if, according to your calculation, no tax is payable.

There is also a third “voluntary top-up” provisional payment, unlike the first and second payments the third period payment is based on the actual taxable income for the year.

Where the year of assessment ends on 28/29 February, the **effective date** is seven months after the financial year end, which is 30 September. Alternative year ends are six months after year end.

We may, if it becomes necessary, substitute other professionals with equal or similar skills and experience to attend to your personal needs.

## **Consent to exchange personal information in terms of the Protection of Personal Information Act No 4 of 2013**

By signing this letter the signing party voluntarily consents to the use of any personal information collected by C2M necessary to perform the abovementioned functions as accounting officers to be used, reviewed or processed by any other of the entities in the C2M Group, only to such extent as is required to perform its functions or if legally required to do so.

## **Agreement of terms**

Our engagement shall be governed by South African Law.

This engagement letter is subject to our Standard Terms and Conditions of Business, a copy of which is available on our website. Visit <http://c2m.co.za/wp-content/uploads/2017/04/C2M-Standard-Terms-and-Conditions.pdf>. Upon acceptance this engagement letter will remain effective for subsequent financial years, until it is terminated, amended or superseded.

Kindly confirm your acknowledgement, understanding and agreement of the terms of the engagement letter and the Standard Terms and Conditions of Business by signing and returning a

copy of this document. By signing this document you further confirm that you are duly authorised to do so.

Should you have any queries related to this engagement, please do not hesitate to contact your relevant director.

We appreciate the opportunity to be of service to you in the preparation of your personal income tax return.

I acknowledge receipt of the above letter of engagement and Standard Terms and Conditions of Business, which fully records the agreement between both parties relating to your appointment to carry out the work described herein.

**Taxpayer Name:** \_\_\_\_\_

**ID of Taxpayer:** \_\_\_\_\_

**(Kindly attach a copy of your ID)**

**Signed:** \_\_\_\_\_

**(Who warrants that he/she is duly authorised to sign this agreement e.g. for minors)**

**Designation:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Witness:** \_\_\_\_\_

**Submit the signed Tax Engagement Letter via:**

Email: [tax@c2mca.co.za](mailto:tax@c2mca.co.za) or

Fax: 086 515 4338