

HIRJI, LUM & ORR

CHARTERED PROFESSIONAL ACCOUNTANTS*
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March 15, 2019

Dear _____:

The purpose of this letter is to set out a clear understanding of the nature of our involvement as the preparer of your (and your family's) personal income tax return(s) for 2018 and your responsibilities as the taxpayer.

IT IS UNDERSTOOD AND AGREED THAT YOUR RESPONSIBILITY AS THE TAXPAYER IS AS FOLLOWS:

- (a) 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*.
- (b) 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.

All business (including commission, farming, and professional incomes) and rental schedules present the results of operations and include all material transactions.

All dispositions of a capital nature, and their costs, have been reported.

All estimates for personal use of automobile, business portion of residence, and other such estimates you have provided are reasonable and supported by usage logs and other evidence.

- (c) If you are using your own address as the mailing address, we recommend that you provide us with copies of any correspondence you receive from Canada Revenue Agency ("CRA") or the Internal Revenue Services ("IRS") immediately. In many cases, reply deadlines apply, and if not met, proposed assessments or re-assessments may be issued or opportunities to challenge issues may be lost.

IT IS UNDERSTOOD AND AGREED THAT OUR ROLE AS YOUR TAX RETURN PREPARER IS AS FOLLOWS:

- (a) We will not audit, review 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 such personal income tax return(s).
- (b) Your (and your family's) personal income tax return(s) will include the following statement "*Prepared without audit from information supplied by the taxpayer.*" along with our firm's name identified as your tax return preparer.
- (c) If the tax return contains any business or rental schedules where we compile the figures, we will include with such forms or schedules a "Notice to Reader" report in the following form:

NOTICE TO READER

The business(es) statement of income of the taxation year 2018 or the statement of employment expenses has been prepared solely for income tax purposes based on information provided by you without audit or review. Readers are cautioned that these statements may not be appropriate for their purposes.

Should you have reason to circulate such forms or schedules with or separate from the income tax return, you agree that this report shall also be included with the circulated document.

FEES

Upon completion of your income tax return or after providing advice or other service on any matters respecting same, we will render you a bill for services at our usual billing rate. It is agreed this invoice will be paid upon receipt. Any amounts outstanding will be charged interest at 2% per month (effective rate is 26.8% per annum).

INDEMNITY

The liability of Hirji, Lum & Orr to you (and your family) for any claim related to professional services provided pursuant to this engagement letter in either contract, negligent misrepresentation or tort, including the partners, officers or employees of the accounting firm shall be strictly limited to the amount of any professional liability insurance the firm may have available at the time such claims are made. No claim shall be brought against the accounting firm in contract, negligent misrepresentation or tort more than two years after the services were completed or terminated under this engagement.

FILE INSPECTIONS

In accordance with professional regulations (and by firm policy), our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

The working papers, files and reports that we assemble during the course of our tax preparation are the property of the firm.

FOREIGN REPORTING

If you owned certain property outside of Canada totaling more than \$100,000 at any time during 2018, it may be necessary for you to declare such ownership in your tax return(s). There are substantial fines and penalties for non-compliance. **Check one of the following:**

- You confirm that you have provided us with the correct and complete information with regards to ownership of, or beneficial interests in, specified foreign property as reported on the Foreign Income Verification Statement (T1135) and you have fully disclosed the related foreign income.
- You confirm that you did not, at any time in the year 2018, own or hold beneficial interests in specified foreign property totaling more than \$100,000.

If you have any questions about the contents of this letter, please call us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign this letter in the space provided and return it to us prior to our commencement in preparing your personal tax return(s). We appreciate the opportunity of continuing to be of service to you (and your family) in the preparation of your personal income tax return(s).

Yours truly,



CHARTERED PROFESSIONAL ACCOUNTANTS

The services and terms as set out above are as agreed. As well, I acknowledge and accept my responsibilities as the taxpayer as outlined above.

_____ Date _____, 2019