Update to Engagement Letters Guidance

General Features

01 June 2018

The CIOT and ATT have been working with ACCA, AAT and STEP on an update to the engagement letters guidance

On 2 May 2018 the CIOT and ATT issued updated engagement letters guidance. They can be accessed on both the CIOT website and the ATT website. These letters include a number of changes and the main ones are set out below.

The schedules of services have been updated in relation to technical changes (such as the pay-rolling of benefits in kind). In addition the following new schedules have been included:

- The personal tax schedule has been split into two schedules. One relates to personal tax compliance and a separate one is now available in relation to personal tax where acting for sole traders or those with property income.
- Company accounts preparation
- Common Reporting Standard (CRS) and Foreign Account Tax Compliance (FATCA)
- Voluntary (unprompted) disclosure to HMRC

Importantly, the guidance aims to assist members to prepare their engagement letters under the new data protection rules which came into force on 25 May 2018. Further guidance on GDPR is available on the CIOT and ATT websites.

The engagement letters pack now includes a sample privacy notice. Being transparent and providing accessible information to individuals about how personal data will be used is a key element of data protection legislation and GDPR. The most common way to provide this information is in a privacy notice. Privacy notices are not new but GDPR is more prescriptive about what they should include. Whilst it is

not obligatory to send a privacy notice together with an engagement letter, for practical ease we have assumed this will be dealt with at the same time. The covering and acceptance letters and the business terms and conditions have also been updated.

The documents are examples and must be tailored to suit the particular circumstances applying to a member’s practice and their clients. The basis on which the letters are made available is set out on the front of the document and it is essential that members refer to that before using the examples provided.