



XYZ & CO.,
Chartered Accountants

ENGAGEMENT LETTER
(INCOME-TAX RETURN PREPARATION SERVICES)

CLIENT NAME
STREET ADDRESS
CITY, STATE PIN

Subject: Preparation of Your Tax Returns

Dear CLIENT NAME:

Thank you for selecting our Firm Name to assist you with preparation of your tax returns. When you submit your tax information to us you acknowledge and agree to the following terms and conditions for our services.

Your returns will be prepared from information you provide. We may ask for explanation or clarification of some items, but we will not audit or otherwise verify your data. **You are responsible for the completeness and accuracy of information used to prepare the returns. Our responsibility is to prepare the returns in accordance with applicable tax laws.**

Those laws impose penalties on you for substantial understatements of tax, items in the return for which there is not substantial authority, and failure to maintain records required by law. The Income-tax Act/regulations impose significant penalties on us if we are associated with a return that takes a position that has no realistic possibility of success if audited. Some items may require special disclosure to protect you and us from penalties. We will consult with you about any special disclosures we believe necessary.

We may observe opportunities for tax savings that require planning or changes in the way you handle some transactions. While an engagement for tax return preparation does not include significant tax planning services, we will share any ideas we have with you and discuss terms for any additional work that may be required to implement those ideas.

Our fees for preparing your returns will be based on the time required at our standard rates for such services. Invoices are due when submitted to you.

Your return may be selected for scrutiny by Assessing Officer. In that event, we will be available to assist you in defending and explaining the return. That service is not part of our engagement to prepare your returns, and would be the subject of a separate agreement for services.

We appreciate the opportunity to serve you in this important work. If you have questions about the contents of this letter, please call me.

Yours Sincerely,

Chartered Accountants