



To the [proprietor/partners/directors]* of

TAX REPRESENTATIVE ENGAGEMENT LETTER

The purpose of this letter is to set out the basis on which we act as tax representative and the respective responsibilities of our client and of ourselves.

Taxation service

- 1.1 As a party doing business in Hong Kong, you have the primary responsibility to submit return to the Hong Kong Inland Revenue Department (IRD) at the best of your knowledge and belief after making appropriate enquiries to ensure that such information is correct and complete.
- 1.2 We are responsible for preparing on your behalf tax computation for the proper presentation all known facts and submitting the same to the IRD in compliance with the Inland Revenue Ordinance under the prevailing interpretation and practice. It needs to understand that position be inevitably taken about tax deductibility or chargeability of particular transactions and we deal with the tax affairs as your agent on the basis of disclosure of all relevant information. There is no requirement for us to perform independent verification on information provided by you.
- 1.3 We are pleased to advise on Hong Kong taxation matters if requested, these may be regarded as separate assignments. The IRD has assessment programs, including direct enquiry to tax representative, field audit and investigation. These programs may not be restricted to the examination of financial statements and therefore the maintaining of sufficient, accurate and complete records for transactions is helpful to discharge the obligation on assessment.
- 1.4 If tax return is not submitted by its due date or extended deadline, penalties up to three times on tax payable may be imposed by the IRD. Therefore, we urge that client assure make available to us accounting records as earlier as possible.

Tax dispute and determination

- 2 Being a tax representative, we are obligated to get the most beneficial and fair tax treatment for the interest of client. However, the final result and tax liability within the statutory time bar (maybe longer than six years) is still subject to the final approval and agreement with the IRD. Some of the tax dispute and determination may be arising from subjective factors or non-accessibility of certain facts and data, e.g. the property disposal gain, building allowances, offshore transaction, capital gain, etc. Therefore, our tax computation at the best of client interest in prevailing practice should not be treated as final and conclusive.

Fee and agreement of terms

- 3 Our fees are computed on the basis of the time spent on your affairs and on the levels of skill and responsibility involved plus out-of-pocket expenses and will be due on presentation. Once it has been agreed, this letter will remain effective until it is replaced. We shall be grateful if you could confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter.

Yours faithfully

T. K. Lo & Company
Certified Public Accountants
Date 04 January 2016

Agreed and accepted by

For and on behalf of
Date 04 January 2016