

**2018 INDIVIDUAL TAX RETURN ENGAGEMENT LETTER**

Client Name: \_\_\_\_\_

Client Address: \_\_\_\_\_

Client Address: \_\_\_\_\_

Dear Client:

Expatax B.V. (“firm,” we,” “us,” or “our”) is pleased to provide you with the professional services described below. This letter, our Terms & Conditions and Privacy Policy incorporated herein (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. You may visit our website at [www.expatax.nl](http://www.expatax.nl) to review our Terms & Conditions and our Privacy Policy. Digital or paper copies of these policies will be made available to you upon your request. The engagement between you and our firm will be governed by the terms of this Agreement.

***Engagement Objective and Scope***

We will prepare the following federal tax returns for the year ended December 31, 2018:

Form 1040 U.S. Individual Income Tax Return

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based upon information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

### ***CPA Firm Responsibilities***

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”).

We will prepare your tax returns based upon your filing status as reflected in your income tax returns for last year. If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us.

#### **Tax planning services**

Our engagement does not include tax planning services. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

#### **Government inquiries**

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

#### **Third-party requests**

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

### ***Client Responsibilities***

We will provide you with a document checklist and worksheets to help you compile and document the information necessary to prepare your income tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside the U.S., is required.

We rely upon the accuracy and completeness of both the information you provide in the income tax organizer and other supporting data you provide in rendering professional services to you.

#### **Documentation**

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless from any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

## Gift Tax Returns

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount. You are responsible for informing us if gift tax returns are required to be filed. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

## Gifts received from foreign persons

If you received a gift or bequest from a foreign person or trust, you may be required to file a separate IRS Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts*. If you ask us to prepare this return, we will confirm this in a separate engagement letter.

## Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

## State and local filing obligations

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you of this responsibility in writing and ask you to contact us. If you would like to add any additional forms or services to this engagement, please use the Comments or Additional Requests space provided below. The terms in this Agreement will apply to any State or local tax return you ask us to prepare.

## U.S. filing obligations related to foreign financial assets

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include *Form 8938, Statement of Specified Foreign Assets*, and *FinCEN Form 114, Report of Foreign Bank and Financial Accounts* ("FBAR"). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. We will prepare the FBAR upon your request.

## Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

### Ultimate responsibility

You have final responsibility for your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS and state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

### ***Timing of the Engagement***

We will not commence our services before receipt of this executed Agreement and all documents requested by our office. Due to the high volume of tax returns we process the turnaround time could be up to several months upon receipt of the above.

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2018 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) for your review and filing with the appropriate tax authorities, or
- written notification by either party that the engagement is terminated.

### ***Extensions of Time to File Tax Returns***

The original filing due date for your Federal tax return is April 15, 2019 if you reside in the U.S. and June 17, 2019 if you reside outside of the U.S. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. All taxes owed are due by the original filing due date.

### ***Penalties and Interest Charges***

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

### ***Professional Fees***

Our professional fees for the services outlined are found on our website at [www.expatax.nl](http://www.expatax.nl). For repeat clients our fees are based on those charged to you in the prior year. Additional fees may apply if the complexity rises or if new forms need to be filed as compared to the prior year. We will notify you of the increase in advance. This fee is based upon the complexity of the work to be performed and our professional time. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested

and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

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We appreciate the opportunity to be of service to you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Very truly yours,  
Noa Rawlinson, CPA  
Expatax B.V.

ACCEPTED:

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Spouse Name (for JOINT returns only)

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Spouse's Signature (for JOINT returns only)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Comments or Additional Requests:**

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