

January 1, 2025

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(print name and address)

Dear \_\_\_\_\_:

This letter summarizes our understanding of our engagement with you as a trustee of your trust (“Trust”) for the taxation period ending December 31, 2024. This letter also outlines the terms, nature, and scope of the tax services we will be providing (the “Engagement”).

### **Tax Services**

We agree to perform the following tax services (the “Services”):

- Preparation of the T3 information and income tax return and statement of trust income allocations and designations (“T3 Return and Slips”) for the taxation period ending December 31, 2024; and
- Other tax filings, as applicable.

In addition to the various schedules required to support the computations applicable to the T3 Return and Slips, all taxpayers are required to disclose whether or not they own specified foreign property with an aggregate cost in excess of \$100,000 CAD. We will discuss this requirement with you and, where applicable, you will provide us with a list of such properties, in sufficient detail to allow us to complete the T1135 Foreign Income Verification Statement required to be filed as part of the T3 Return.

We will complete the agreed upon Services for the taxation period ending December 31, 2024, and any services related to a prior or subsequent taxation year will not be within the scope of this Engagement.

We will complete the Services based solely on information provided by you. You will provide all requested information necessary to complete the Services in an acceptable format and timely manner. The correctness and completeness of the information provided by you will be of critical importance to the Services. In some cases, assumptions may also have to be made in terms of future events or facts. We will review all material assumptions made with you so that you can confirm that these assumptions are valid.

The T3 Return and Slips and other tax filings will be based on the applicable statutes, treaties, regulations, and Canadian judicial and administrative interpretation in effect as of the date of the completion and approval of the T3 Return and Slips and other tax filings and will take into account any proposal to amend applicable statutes, treaties or regulations prior to such date (the

CHARTERED PROFESSIONAL ACCOUNTANTS

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“Tax Rules”). Subsequent changes in the Tax Rules may render our advice invalid. We have no obligation to advise you of any such change in the Tax Rules or the impact on the T3 Return and Slips and other tax filings. Any advice contained in the T3 Return and Slips and other tax filings will reflect our professional judgment. Our judgment, however, is not binding on any taxation authority or court. Consequently, we cannot guarantee that our advice will not be successfully challenged by taxation authorities.

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 T3 Return and Slips. It is your responsibility to properly record and, where applicable, retain supporting documentation. Our Services do not include any procedures designed or intended to discover misrepresentations or illegal acts and we have no responsibility to do so. We will not be responsible for (i) any penalties, additional taxes or interest that could arise from inaccurate, late or underpaid tax returns or (ii) the disallowance of any deductions, exemptions or exclusions or the taxation of any unreported income, or any resulting taxes, interest or penalties on your tax return. Further it is your responsibility to ensure all GST/HST returns are filed and instalments or other payments are paid in a timely manner. We will not review the Trust’s compliance for GST/HST.

### **Privacy of Information**

We confirm our duty of confidentiality and professional secrecy with respect to all client affairs. Accordingly, except for information that is in the public domain, we will not provide any third party with confidential information concerning the Trust’s affairs without your prior consent, unless required or expressly authorized to do so by law, court order, professional or regulatory authority or by the CPA Code of Conduct. Further, in order to complete our Engagement, we will require access to certain information about the Trust and, as may be required to perform the Services, other identified individuals (“personal information”). By engaging our firm, you agree to provide the personal information required for us to complete this Engagement. You hereby represent to us that you have obtained all consents that are required for our collection, use, disclosure, storage, transfer and process of personal information of such other identified individuals under applicable privacy legislation and professional regulation. We will manage all personal information in compliance with our firm’s Privacy Statement.

### **Electronic Communications**

In performing the Services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

## **Ownership**

The working papers, files, other materials, reports, and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures. Notwithstanding the foregoing, you may examine any document relating to the Trust in our file upon reasonable notice and obtain a copy of such document, unless we are authorized by law to refuse access to the information contained therein.

During the course of our work, we may provide, for your own use, certain software, spreadsheets, and other intellectual property to assist with the provision of our Services. Such software, spreadsheets and other intellectual property must not be copied, distributed, or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

## **Third-Party Service Providers**

We may from time to time, and depending on circumstances, use third-party service providers to assist in completing the agreed upon Services. In that regard, we may share confidential information with the service providers. You hereby authorize us to disclose your confidential information to such service providers retained by us.

## **Indemnity**

To the fullest extent permitted by applicable law and professional regulations, you hereby agree to indemnify, defend (by counsel retained and instructed by us) and hold harmless Lott & Company Professional Corporation and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees on a full indemnity basis), damages, expenses, claims, demands and liabilities ("Losses") arising out of or in consequence of a third-party due to (a) a misrepresentation by you, or (b) the Services, unless and to the extent that such Losses are found by a court of competent jurisdiction to have been due to our gross negligence or intentional misconduct.

## **Limitation of Liability**

In any action, claim, loss or damage arising out of the Engagement, you agree that Lott & Company's liability will be several, and not joint and several and you may only claim payment from Lott & Company of Lott & Company's proportionate share of the total liability based on the degree of fault as finally determined. Any action against us must be commenced on or before the date which is the earlier of (i) eighteen months from the completion of our Services; and (ii) the date by which an action must be commenced under any applicable legislation other than limitation legislation. The total liability assumed by Lott & Company for any claim, loss or damage arising out of or in connection with this Engagement, regardless of the form of action, claim, loss or damage, be it tort, contract or otherwise, shall in no event exceed the aggregate of the professional fees paid to Lott & Company for that portion of the Services with this Engagement, that has given rise to the claim. In addition, Lott & Company shall not under any

circumstances be liable for any special, indirect, or consequential damages including without limitation, lost profit or revenue.

### **Scheduling of the Work**

If we have been provided with the information to prepare the T3 Return and Slips after the filing deadline, we will make every effort to fit this work into our schedule to minimize late filing penalties and interest charges. However, please be advised that we must give priority to our clients with current filing deadlines if any scheduling conflicts arise.

We shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by you of your obligations.

### **Fees and Billing**

Our professional fees for preparing the T3 Return and Slips will generally be billed upon completion of the return at our standard billing rates plus any direct out of pocket expenses and applicable GST/HST and provincial sales tax. If there is undue delay in receiving information or complications experienced, a retainer may be requested at our discretion. If there have been previous collection issues or we are preparing returns that are in arrears, a retainer will be requested prior to commencement of our work. Our fees for preparation of the return, including any accounting work required, is based on the complexity of the work involved and the time incurred to complete. Tax planning assistance, advice and consultations will be billed separately at our standard billing rates.

It is agreed our invoices will be paid upon receipt. Interest will be charged at 1% per month on any unpaid amounts. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyer's fees.

### **Canada Revenue Agency Inquiries, Audits and Assessments**

Fees for our review of Notices of Assessment, Notices of Reassessment and Statements of Account issued by the taxing authorities is not included in our preparation fee. In addition, the Canada Revenue Agency ("CRA") often performs audit and inquiry procedures regarding tax information that has been filed as part of their normal verification procedures. Similarly, our time for reviewing and responding to these requests is not included in our preparation fee. We will bill our time incurred, at our standard hourly rates, for the review and response to CRA when such services are provided.

We recommend that you review all correspondence received from CRA carefully. If there are any differences between assessments issued and returns filed, you should forward the correspondence to us immediately as there are time limits for objecting to assessments and reassessments issued. We strongly recommend that any CRA inquiries be referred to us, so that the tax filing position can be properly represented to CRA.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or personnel as witnesses with respect to our Engagement for the Trust, you will, so long as we are not a subject of the investigation or proceeding in which information is sought, reimburse us at our standard billing rates for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

## Termination

Subject to compliance with applicable law and the CPA Ontario Code of Professional Conduct, either party may terminate this Engagement at any time upon written notice of such termination to the other party not less than 30 calendar days before the effective date of termination. Upon termination of this Engagement, we will invoice you for any unbilled fees and expenses. Further, you agree to pay our account to the date of termination upon receipt of our invoice. The provisions of this Engagement which provides rights or obligations beyond its termination shall continue indefinitely following termination including Indemnity and Fees and Billing.

## General

This Engagement will be subject to and governed by the laws of Ontario. Any disputes arising from this Engagement shall be subject to the exclusive jurisdiction of the courts of Ontario. You agree that any dispute that may arise regarding the Services or the meaning or performance or enforcement of this letter will, prior to resorting to litigation, be submitted to mediation.

This letter forms the entire agreement that will govern the Engagement. The terms and conditions of this letter supersede any prior oral or written representations or commitments by or between the parties. Any changes or additions to the terms or conditions set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by both of the parties.

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 of preparing the T3 Return and Slips. We appreciate the opportunity to be of service to you.

Yours truly,

*Lott & Company Professional Corporation*

The Services set out in the forgoing letter are in accordance with the requirements of the Trust. The terms set out are acceptable to the undersigned and are hereby agreed to.

Per: \_\_\_\_\_  
Name of Trust

Per: \_\_\_\_\_  
As Trustee

Date \_\_\_\_\_