



101-860 View Street, Victoria BC
V8W 3Z8 www.sterlingfinancial.ca
(250) 857-1857

We are pleased that you have engaged us to provide tax compliance services.

Tax compliance services

We will prepare your **2025** Canadian tax returns and supporting schedules from the information you submit to us. We will not audit or independently verify the data you provide for the preparation of the returns. However, we may ask for clarification of some of the information. We will also assist in calculating your estimated income tax instalments for the coming year, in accordance with what the CRA might request, which will be noted on the cover letter with your tax package.

We are seeing more occurrences of Canada Revenue Agency (“CRA”) assessing penalties for inadvertently failing to report income. Penalties can be assessed even if the reason for the omission is due to receiving the tax slip late or ignoring the amount because it is insignificant. Therefore you should ensure that we have all tax slips and information and should you receive slips late, please forward them to us even if the amounts are insignificant. Please review the returns to ensure all income amounts have been entered, as we are not responsible for penalties or interest paid as a result of an income omission.

Our engagement cannot be relied on to uncover errors or irregularities in the underlying information incorporated in the tax returns, should any exist. However, we will inform you of any such matters that come to our attention. Under the Income Tax Act, you are responsible for the accuracy and completeness of the information, please ensure that you review the returns before signing and filing them.

All returns are subject to examination by the taxing authorities. In preparing the returns, we rely on your representations and that you understand and have complied with the documentation requirements for all expenses and deductions. You should retain originals of all documents and records as, in the event of an examination, you may be asked to produce documents, records or other evidence to substantiate the items of income and deduction shown on your tax returns. If an examination occurs, we will be available, on request, to assist you. Such additional services are not included in the fees specified in this letter.

Failure to disclose that you are a beneficiary of a non-resident trust or to file a U.S tax return, if you are required to do so, could result in serious penalties. Please ensure you have disclosed to us if you, your spouse and/or your parents are U.S. citizen or green card holders or if you have any foreign interests.

You are also required to let us know if you have investments or interests over \$100,000 outside of Canada.

It is our understanding that you have done your due diligence in ensuring that any Underused Housing Reporting, Speculation Tax as well as any Bare Trust Requirements or other provincial, municipal or related filings outside of the preparation of your personal tax returns have been considered and filed accordingly. If you require assistance, please let us know.

You have notified us of any sale of principal residence or secondary properties.

You have disclosed any holdings of foreign investments having a total aggregate cost in excess of \$100,000 (Cdn), which includes foreign shares held through a Canadian broker; during the year it received a distribution of property from or was indebted to a foreign-based trust, or it had an interest in a foreign affiliate. In general, a foreign affiliate is a non-resident corporation in which a Canadian taxpayer either alone, or with related parties, has a 10% or greater equity interest; or the individual, or a partnership of which the individual was a member, transferred or loaned funds or property to a foreign-based trust (or to a non-resident corporation controlled by the foreign-based trust) at any time before the end of the trust's taxation year.

We are committed to the protection of personal information. During the course of planning, performing and reporting the results of our work, we may need to collect, use or disclose personal information which we may already have on file or in our data systems and which may be turned over to us. The personal information which we maintain, use and disclose is solely for the purpose of providing the tax services that you request and to contact you regarding issues that may be of concern or interest to you.

This information is stored, secured, disclosed, and handled in strict accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA), any relevant provincial legislation and our privacy policy.

Unless informed otherwise, you authorize us to continue to collect, maintain, use and disclose your personal information in strict accordance with the privacy policy stated above.

Use of electronic communications

During our engagement(s), we may need to electronically transmit confidential information to each other and to outside specialists or other entities engaged by us or yourself. Electronic methods include telephone, cell phones, email and fax. These technologies provide a fast and convenient way to communicate. However, all forms of communications have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. You agree to the use of electronic methods to transmit and receive information. We are committed to the protection of personal information.

Our receipt of your related tax information acknowledges your acceptance of the terms of this engagement, please contact us if you have any questions about the trust income tax and information return or other related matters.

If you have any questions, please let us know.

Sterling Financial Accounting Services
Chartered Professional Accountant, CA