

[Date]

[Client Name]
[Client Address]
[City, Country]

Re: Engagement for Cross-Border Tax Due Diligence Services

Dear [Client Contact Name],

This letter confirms the engagement of [Firm Name] ("the Firm") by [Client Name] ("the Client") to perform tax due diligence services in connection with the proposed acquisition of [Target Company Name] ("the Target").

1. Scope of Services

The Firm will conduct a tax due diligence review of the Target's operations in [Country A], [Country B], and [Country C] for the period beginning [Start Date] and ending [End Date]. The scope includes:

- Review of corporate income tax filings and assessments.
- Analysis of Value Added Tax (VAT) / Goods and Services Tax (GST) compliance.
- Review of withholding tax obligations on cross-border payments (dividends, interest, royalties).
- Assessment of transfer pricing documentation and consistency with arm's length principles.
- Identification of permanent establishment risks in relevant jurisdictions.
- Evaluation of historical tax audits and outstanding tax contingencies.

2. Reporting

Upon completion of the review, the Firm will provide a written report summarizing our findings, identifying material tax risks, and suggesting potential post-acquisition integration considerations.

3. Client Responsibilities

The Client agrees to provide, or cause the Target to provide, timely access to financial records, tax returns, and management personnel necessary for the Firm to perform its duties. The Firm will rely on the accuracy of the information provided without independent verification.

4. Fees and Expenses

Our fees for this engagement are estimated at [Amount/Currency] plus applicable taxes and out-of-pocket expenses. This estimate is based on the scope defined above; any significant changes to the scope will result in a revised fee arrangement.

5. Limitation of Liability

The services provided are for the internal use of the Client only. The Firm's total liability for any claims arising out of this engagement shall be limited to [Multiple of Fees/Specific Amount].

6. Governing Law

This agreement shall be governed by and construed in accordance with the laws of [Jurisdiction].

Please sign and return the enclosed copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Signature]
[Name of Partner]
[Firm Name]

Accepted and Agreed:

For and on behalf of [Client Name]:

Signature: _____

Name: [Authorized Signatory Name]

Title: [Title]

Date: [Date]