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|  | **subcontracting Accountancy services - aPPENDICES** | Issued October 2013  Last Reviewed February 2025 |  |
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## Appendix 3: OUTLINE contract BETWEEN A FIRM AND A SUBCONTRACTOR

1. Names and addresses of the parties.

2. Purpose of contract.

3. Confirmation of compliance with anti-money laundering requirements.

The firm is appropriately registered for the purposes of money laundering regulations and will provide relevant and appropriate anti-money laundering training; and that the subcontractor will not contract directly with the underlying client and will comply fully with the firm’s anti-money laundering policies and procedures. Include the obligations of the subcontractor to report any suspicious activity to the firm’s MLRO, and/or report to the MLRO of the subcontractor’s own firm under their policies and procedures.

4. Confirmation of compliance with data protection legislation (including confirmation of data controller, joint controller or inclusion of data processor contractual clauses as appropriate)

5. Statement of responsibilities and duties of the subcontractor, including:

1. Agreement to uphold all relevant aspects of ICAEW’s Code of Ethics.
2. Agreement to provide regular written declarations covering confidentiality undertaking, independence declaration, ‘fit and proper’ declaration, record of CPD (continuing professional development) data protection, etc.
3. Agreement (if appropriate) restricting direct contact with client.
4. Use of office facilities (including private usage of the firm’s equipment, library, internet connection, email, telephone system, etc.).
5. Undertakings in respect of compliance with the firm’s internal operating procedures and professional standards regarding working papers, review and supervision and the safekeeping and security of books and records taken out of the firm’s offices.
6. Agreement concerning collection and delivery of work.
7. Agreement to refrain from accepting professional work from clients of the firm.

6. Statement of undertakings by the firm including:

1. Confirmation that the subcontractor’s work is covered by the professional indemnity insurance of the who have been notified of the subcontractors name and status (include as appropriate other insurances).
2. Notification of available work.
3. Review and supervision of work provisions.

7. Agreement by the subcontractor in respect of personal responsibilities to meet personal tax and National Insurance liabilities with an undertaking to notify practice immediately of any changes in circumstances.

8. Statement of the basis of calculation of subcontractor's fees and applicable rates. Mention should be made of any necessary records or evidence that will be required to support the fee.

9. Confirmation that the firm will reimburse necessary out-of-pocket expenses, supported by appropriate evidence to support the expenditure.

10. Payment terms and conditions.

11. Disciplinary procedures and consequences.

12. Signatures of both parties and dating of the contract.

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For further details members are invited to telephone the Technical Advisory Service **T** +44 (0)1908 248250. The Technical Advisory Service comprises the technical enquiries, ethics advice, anti-money laundering and fraud helplines. For further details visit [icaew.com/tas](http://www.icaew.com/tas)