|  |
| --- |
| **Illustration of Disengagement Letter** |

*[Client Name]*

*[Client Address]*

*[Date]*

**Subject: Disengagement letter**

Dear Mr *[Name]*

1. **Purpose**

We are writing to set out matters connected with our decision to cease acting as your Administrative Service Provider (ASP) / your decision to replace us as your ASP [*Delete as appropriate]* with immediate effect.

1. **Summary of services provided**

During the course of our professional work we have provided the following services:

* Provision of Trustee
* Provision of Director(s)
* Provision of Company Secretary
* Holding the share capital
* Provision of registered office address
* Provision of General or Limited Partners in a partnership
* Managing bank accounts, including acting as signatory
* Safe keeping of financial instruments including acting as Depositary
* Bookkeeping
* Accounts preparation
* Payroll processing
* Preparation of VAT returns
* Completion of company income tax returns (IR4A)
* Completion of personal income tax returns (IR1A)
* Provision of secretarial and administrative services
* Other *(Specify)*

[*Delete as appropriate*]

These services, together with a summary of the respective responsibilities of both yourselves and us relating to them, and the terms of business on which we provided service, were set out in our letter of engagement to you, dated *[Date].*

Through this disengagement, our letter of engagement is hereby completely and irrevocably terminated, and that neither party to such letter of engagement shall have any further rights or obligations thereunder. Such disengagement shall not affect, however, our rights under the letter of engagement and more specifically the indemnities provided by you to us which shall continue hereafter in accordance with their terms. *[This paragraph should be amended based on specific termination clause(s) of the engagement letter].*

**Note 1** The disengagement letter should be sent to the Directors of the company and also be sent as a notification to the ultimate controlling person(s) and the authorized person(s) *[or equivalent]* providing instructions to the ASP.

1. **Current status report**

To ensure that you are fully aware of the current status, including applicable dates by which aspects of these services are normally due, we attach to this letter a current status report. This report sets out, by service, information relating to the last completed service cycle, details of progress to date in respect of the current service cycle and its applicable “due date”. This report should assist the firm succeeding us as your ASP to assume responsibility for this work.

In view of the due date relating to *[Matter]* service we have agreed to continue with our responsibilities in respect of this service alone *[If applicable].*

1. **Respective responsibilities**

With respect to our resignation as your ASP, our responsibilities to you, with the exception of any specific matters referred to in section 3 above, will cease with immediate effect. You will be solely responsible for identifying another ASP to take on these responsibilities or to satisfy the need for the services that we provided to you. *[This paragraph applies to instances of ASP’s resignation only].*

To assist you and the successor ASP, we have drawn your attention to relevant dates associated with the services provided in section 3 above.

Our responsibilities on resignation / replacement *[Delete as appropriate]* as ASPs, include those set out in our Institute’s “Code of Ethics for Professional Accountants” to respond to the enquiry of our successor ASP and disclose any issues or circumstances relevant to his decision to accept or decline appointment.

It is also common for practitioners to combine this initial professional enquiry with a request for information and documents relevant to the engagement. We will, unless undue additional work is entailed, be pleased to respond to these enquiries, and would be pleased if you would indicate your agreement to our satisfying these requests by signing and returning to us the authority attached to this letter. If you do not return the authority within two weeks, we will assume that you consent for us to co-operate with the successor ASP as set out above.

1. **Retention of records**

During the course of our work we have collected information from you and other parties acting on your behalf. We will only retain the documents required by the prevailing laws. The rest of these records and other items of documentation should be retained by you to satisfy your statutory obligations. We will be pleased to return on request any original documents or records that legally belong to you.

We should advise you, however, that if you fail to collect such records within one month of the date of this letter, we cannot be held responsible for their safekeeping and we may destroy documents and records that we hold without further notice.

1. **Confidentiality**

We should also confirm that where we retain confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to our engagement.

1. **Limitation of liability**

The advices that were provided to you during the course of our professional engagement were for your sole use and did not constitute advices to any third party to whom you might have communicated them. We accept no responsibility to third parties for any aspect of our professional services or work that has been or may be made available to them.

We will continue to provide any remaining professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses [penalties, surcharges, interest or additional tax liabilities] arising from the supply by you or others of incorrect or incomplete information, or your or others’ failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us [or the tax authorities].

You agree to hold harmless and indemnify us *[our partners, directors and staff]*, against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with any work set out in section 3 above that we have agreed to complete. You also agree that you will not bring any claim in connection with services provided to you by our firm against any of our employees on a personal basis.

You furthermore hereby absolutely and irrevocably waive, release and forever discharge us *[our partners, directors and staff]*, of and from all demands, actions, causes of action, damages and any and all other claims and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which the you may now or hereafter have or claim to have against us for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this letter of disengagement. *[This paragraph should be amended based on specific indemnity/liability clause(s) of the engagement letter].*

1. **Fees**

With reference to our fees, we calculate that an amount of € *[Amount]* plus VAT, as set out on the attached invoice, remains due to us. This amount has been determined on the basis of the time spent on your affairs by the partners/directors [*Delete as appropriate*] and staff and on the levels of skill or responsibility involved and is due on presentation. [*A further fee will be due to us in respect of the work set out in section 3 above and if it is necessary to carry out work outside the responsibilities outlined in this letter, we will advise you in advance*].

1. **Applicable Law**

This letter shall be governed by, and construed in accordance with, Cyprus law. The courts of Cyprus shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in any inconvenient forum, or to claim that those courts do not have jurisdiction.

This letter supersedes and takes precedence over our Letter of Engagement, addressed to you dated *[Date].*

1. **Confirmation of your agreement**

We would be grateful if you would confirm your agreement to the terms of this letter by signing and returning the enclosed copy. If this letter is not in accordance with your understanding of our disengagement, please let us know.

We would like to thank you for the cooperation we had. Should there be any occasion to provide our services in any capacity it will be our pleasure to hear from you [*If considered appropriate*].

Yours sincerely

Name of the sender and Firm

Attachments

**Current Status Report**

**Client name:**

**Date of preparation:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Service (as applicable)** | **Last completed service** | **Frequency** | **Date of next service** | **Date “due” by** |
| Provision of Trustee |  |  |  |  |
| Provision of Director(s) |  |  |  |  |
| Provision of Company Secretary |  |  |  |  |
| Holding the share capital |  |  |  |  |
| Provision of registered office address |  |  |  |  |
| Provision of General or Limited Partners in a partnership |  |  |  |  |
| Managing bank accounts, including acting as signatory |  |  |  |  |
| Safe keeping of financial instruments including acting as Depositary |  |  |  |  |
| Provision of secretarial and administrative services |  |  |  |  |
| Bookkeeping |  |  |  |  |
| Accounts Preparation |  |  |  |  |
| Latest annual return filed (HE32) |  |  |  |  |
| Preparation of VAT returns |  |  |  |  |
| Payroll processing |  |  |  |  |
| Completion of income tax returns (IR4A) |  |  |  |  |
| Completion of personal income tax returns (IR1A) |  |  |  |  |
| Other *(Specify)* |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Note 2** [***For example***: *We shall be prepared to process the payroll in respect of [month/20XX] provided that you inform us no later than [date/month/20XX] and provide all relevant information by [date/month/20XX]. Our previous arrangements concerning fees will apply*.]

**Acknowledgement**

I acknowledge receipt of this letter, which fully records the agreement between us in relation to your resignation / replacement *[Delete as appropriate]* as Administrative Service Provider (ASP).

I consent to your communicating with the successor ASP when appointed by us / I consent to your communicating with [*insert name of partner/director and firm*] whom we have appointed in your place *[Delete as appropriate depending on whether it is resignation or replacement respectively]*

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For and on behalf of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

###### Table of illustrations

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| 1. Appointment – initial queries to predecessor Administrative Service Provider |
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| 1. Letter to be sent to the Commissioner of Income Tax with copies to the Registrar of Companies informing them that we have stopped providing services to the client |
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###### Illustration 1: Appointment – initial queries to predecessor Administrative Service Provider

Mr (click to type)

Address (click to type)

Date (click to type)

Subject: Click to type

Dear Click to type

We understand that the directors/ authorized persons of the above company have recently informed you that they have invited us to accept appointment as Administrative Service Provider (ASP) of the company.

Before we accept appointment as ASP please inform us whether there are any matters of which we should be aware including, in particular, any matters which could influence our decision as to whether or not to accept appointment as ASP of the company. Such matters should include but are not limited to instances of fraud, litigation, unpaid fees, unpaid taxes and VAT, contingencies and commitments.

Yours truly

###### Illustration 2: Specimen reply letter to the new Administrative Service Provider

Mr (click to type)

Address (click to type)

Date (click to type)

Subject: Click to type

Dear Click to type

Further to your letter dated .......... informing us of your intention to accept the appointment as an Administrative Service Provider (ASP) for the above named Company, please note the following:

We have no objections to your appointment and please communicate with Mr/Mrs ................... of our office to co-ordinate the transfer.

**OR**

We have no objections to your appointment; however please note that there are outstanding fees owing to us that need to be settled before any documents are released

**AND**

Furthermore please note the following matters that you should be aware of

........................................................................................................................................................................................................................................................................................................................................................................................................................................................................................................

(Matters such as Litigation in progress, o/s tax liabilities, o/s VAT liabilities etc should be noted)

As previously mentioned please contact Mr/Mrs .......................... from our office to co-ordinate further steps for the transfer.

Yours truly

###### Illustration 3: Resignation letter of the Director

The Secretary

Name of Company (click to type)

Address (click to type)

Date (click to type)

Dear Sirs

I, the undersigned, hereby render my resignation from the office of Director of the above mentioned company, as from today.

Yours faithfully

……………………………………

[ ] (name of director)

###### Illustration 4: Resignation letter of the secretary

*To be typed on company secretary’s letterhead*

The Directors

Name of Company (click to type)

Address (click to type)

Date (click to type)

Dear Sirs

We hereby give you notice that we wish to tender our resignation as secretary of your company as from today.

Yours truly

……………………………………

###### Illustration 5: Letter to the new Administrative Service Provider enclosing the company’s statutory books, seal etc (always keep copies of all the enclosures)

Mr (click to type)

Address (click to type)

Date (click to type)

Subject: Click to type

Dear Click to type

Please find enclosed the undermentioned documents for the above company.

1. Client file including the following documents:
2. Memorandum and articles of association in Greek and English.
3. Directors’ and Shareholders’ Minute books and Register of members.
4. Original certificate of incorporation, copies of other certificates issued by the Registrar of Companies and other related documents.
5. Copies of the company’s Annual Returns filed with the Registrar.
6. Other documents as per Client Hand-Over Checklist (as applicable/ available)
7. Seal and rubber stamp of the company.
8. Resignation letters of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as directors of the company and resignation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as secretary of the company. Please arrange for the Registrar of Companies to be informed accordingly and send us copies of the new certificates for directors, secretary and registered office.
9. Letter of authorisation to the trustee/ nominee shareholder. Please arrange to be completed and signed by the beneficial owner and returned to us to enable the trustee/ nominee shareholder to execute the instrument of transfer.
10. Copy of our Letter to the Company’s Bankers informing them that we have stopped providing services to the above company. We expect that you will contact the bank accordingly.

Please acknowledge receipt of the above by signing and returning the enclosed copy of this letter.

Yours truly

enclosures

We acknowledge receipt of the above.

…………………………………

###### Illustration 6: Letter to be sent to the Commissioner of Income Tax with copies to the Registrar of Companies informing them that we have stopped providing services to the client

The Commissioner of Income Tax

Nicosia

Date (click to type)

Subject: Click to type

Dear Click to type

We wish to inform you that we have stopped providing services to the above named company and we expect that you will be contacted by the new administrative service provider.

Please also note that Mr \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and Mr \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Ltd have rendered their resignation as directors and secretary of the company (see enclosed copies of resignation letters).

Please contact for any further information or explanation you may require in connection with the above.

Yours truly

cc Registrar of Companies – Reg No. \_\_\_\_\_\_\_\_\_\_\_\_

###### Illustration 7: Letter to the Company’s bankers informing them that we have stopped providing services to the client

Name and address of the Bank

Date (click to type)

Reference:

Subject: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Limited

Dear Sir

We wish to inform you that we have stopped providing services to the above named company therefore we should no longer be considered as the introducers to the bank. We expect that you will be contacted by the new service provider.

Please contact for any further information or explanation you may require in connection with the above.

Yours truly

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **("the Company")** | | | | |
| **Client Hand-Over Checklist ("this checklist")** | | | | |
|  |  |  |  | **For internal use** |
| **No.** | **Description** | **Format** | **Tick** |
| **A** | **Legal and Company Secretarial Department** |  |  |  |
| **I** | **Corporate Registers** |  |  |  |
| **1** | Register of Registered Offices and Co Secretaries | original |  |  |
| **2** | Register of Directors | original |  |  |
| **3** | Register of Members and Share Ledger | original |  |  |
| **4** | Register of Applications and Allotments | original |  |  |
| **5** | Register of Transfers | original |  |  |
| **6** | Register of Mortgages | original |  |  |
| **7** | Register of Charges | original |  |  |
| **8** | Register of Capital Operations | original |  |  |
| **9** | Register of Beneficial Owner(s) | original |  |  |
| **Note:** | The above documents should be provided in the form of a Corporate Register duly signed and stamped by the Company Secretary and dated on the last day on which the Company Secretary is in office. | original, duly signed and stamped |  |  |
| **II** | **Memorandum and Articles of Association** |  |  |  |
| **1** | M&AA in Greek | original |  |  |
| **2** | M&AA in ENGLISH | original |  |  |
| **3** | M&AA in Greek- AMMENDED | original |  |  |
| **4** | M&AA in ENGLISH- AMMENDED | original |  |  |
|  |  |  |  |  |
| **III** | **Registrar of Companies Certificates** |  |  |  |
| **1** | Certificate of Incorporation |  |  |  |
| **2** | Certificate of Registered Office |  |  |  |
| **3** | Certificate of Directors and Company Secretary |  |  |  |
| **4** | Certificate of Shareholders |  |  |  |
| **5** | Certificate of Share capital |  |  |  |
| **6** | Certificate of Change of Name |  |  |  |
| **7** | Receipts for payment of Annual Government Levy |  |  |  |
| **8** | Annual Returns filed with the Registrar of Companies |  |  |  |
| **9** | All other signed HE forms submitted to the ROC and other correspondence with ROC (e.g notice of registration of charge) |  |  |  |
| **Note:** | All certificates in this section must be provided in original form unless such original documents are no longer held in which case a copy must be provided. |  |  |  |
| **IV** | **Share Certificates** |  |  |  |
| **1** | Share Certificates - Cancelled |  |  |  |
| **2** | Share Certificates - Current |  |  |  |
| **3** | Instrument of Transfer |  |  |  |
| **4** | Declaration of Trust |  |  |  |
| **5** | Instrument of Cancellation of Trust |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **V** | **Corporate Authorisations** |  |  |  |
| **1** | Minutes Book |  |  |  |
| **2** | Board of Directors meetings- Resolutions |  |  |  |
| **3** | Board of Directors meetings- Minutes |  |  |  |
| **4** | Subscriber Resolution for first director |  |  |  |
| **5** | First Directors Resolution |  |  |  |
| **6** | Shareholders Resolutions |  |  |  |
|  |  |  |  |  |
| **VI** | **Certificate of Incumbency** |  |  |  |
| **1** | Certificate of Incumbency by Company Secretary |  |  |  |
| **2** | Certificate of Good Standing by ROC |  |  |  |
|  |  |  |  |  |
| **VII** | **Powers of Attorney** |  |  |  |
| **1** | All Powers of Attorney issued- Expired | certified copy |  |  |
| **2** | All Powers of Attorney issued- On going along with the certified passport copy of the person to whom power is given | certified copy |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **VIII** | **Other** |  |  |  |
| **1** | Company Seal +/ Official Seal for Use Abroad |  |  |  |
| **2** | Other company documents |  |  |  |
| **3** | Agreements executed on behalf of the Company certified as true copy |  |  |  |
|  | Correspondence/ other notice from third parties notifying the Company that the shareholders of the Company have created any encumbrance over the shares which they hold in the Company |  |  |  |
| **B** | **Administration and Management Services Department** |  |  |  |
| **I** | **Agreements** |  |  |  |
| **1** | Agreements Executed- Expired |  |  |  |
| **2** | Agreements Executed- On going |  |  |  |
|  |  |  |  |  |
| **II** | **Invoices** |  |  |  |
| **1** | Invoices IN Revenue |  |  |  |
| **2** | Invoices OUT Expenses |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **III** | **Other** |  |  |  |
| **1** | Other company documents |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **C** | **Banking administration and Treasury Services Department** |  |  |  |
| **I** | **Bank Details** |  |  |  |
| **1** | Bank Account Coordinates |  |  |  |
| **2** | Bank Account Signatories |  |  |  |
| **3** | Notification to the Bank for change of Signatories |  |  |  |
| **4** | Letter to the bank advising change of Introducer |  |  |  |
|  |  |  |  |  |
| **II** | **Bank Statements and Advise Slips** |  |  |  |
| **1** | Bank Statements |  |  |  |
| **2** | Bank Advise Slips |  |  |  |
|  |  |  |  |  |
| **III** | **Other** |  |  |  |
| **1** | Other company documents |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **D** | **Accounting, Financial Reporting and Tax Compliance Services Department** |  |  |  |
| **I** | **Financial Statements** |  |  |  |
| **1** | Financial Statements- Audited |  |  |  |
| **2** | Financial Statements -Unaudited |  |  |  |
|  |  |  |  |  |
| **II** | **Accounting Records** |  |  |  |
| **1** | Detailed Nominal Ledger |  |  |  |
| **2** | Journal Entries |  |  |  |
| **3** | Latest Trial Balance |  |  |  |
|  |  |  |  |  |
| **III** | **Inland Revenue** |  |  |  |
| **1** | Tax Identification Code |  |  |  |
| **2** | Tax Residence Certificate |  |  |  |
| **3** | Provisional Tax Assessment |  |  |  |
| **4** | Annual Tax Return ( IR4) - Submitted and Cleared |  |  |  |
| **5** | Annual Tax Return ( IR4) - Submitted and not Cleared |  |  |  |
| **6** | Tax Clearance Certificate |  |  |  |
| **7** | Correspondence with the Inland Revenue |  |  |  |
|  |  |  |  |  |
| **IV** | **VAT** |  |  |  |
| **1** | VAT Registration |  |  |  |
| **2** | VAT Returns stamped |  |  |  |
| **3** | Correspondence with the VAT authorities |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **V** | **Other** |  |  |  |
| **1** | Other company documents |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **I hereby unequivocally declare the following:** | | |  |  |
| **1** | **The documents which I provide to you pursuant to this checklist are all the documents which are in my possession as Company Secretary/Administrative Service Provider (ΑSP). Where a document set out on this checklist is not provided it does not exist. Where reference is made in generic form to a group of documents, the checkmark shall indicate that all documents belonging to such group have been provided.** |  |  |  |
| **2** | **Except to the extent of any documentation provided in accordance with this checklist, the shares of the Company are not held on trust** |  |  |  |
| **3** | **Except to the extent provided for by the Register of Members provided, there is to the best of our knowledge no further encumbrance created by the shareholders of the Company over the shares which they hold in the Company** |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  | Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |
|  | Signature: |  |  |  |
|  |  |  |  |  |