

**Parties to the contract**

This professional nominee contract is made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ between:

- (1) Name: Boogles Bookkeeping Ltd  
Address: 23 Penn Street, Hoxton, N1 5DL; and
- (2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**1 Duration**

The professional nominee contract is to take legal effect from \_\_\_\_\_, until terminated in accordance with clause 11 (“termination”).

**2 Initial consideration**

The initial consideration of one peppercorn has passed from the Coveree to the Professional Nominee in return for his (or her) agreement to the terms and conditions in this contract and give legal effect to this contract.

This contract shall remain in abeyance until activated by an event specified in the section below called “activating events”.

**3 Activating events**

This contract becomes active in the event of:

- (a) the death of the coveree. Event (A)
- (b) injury to the coveree where s/he **is not** in a position to be able to give instructions to the person providing professional cover, for example the coveree is in a coma or is suffering from brain death. Event (B)
- (c) injury where the coveree **is** in a position to be able to give instructions to the professional nominee. Event (C)
- (d) it becoming necessary for the Coveree to be away from work for a long time, for example in the event of a nervous breakdown or some other form of mental illness. Event (D)

**4 Fees and expenses**

The professional nominee shall be paid gross and will be responsible for his (or her) own income tax, national insurance and any other taxes arising on that income.

The professional nominee shall be paid at the same rate that the coveree charges her clients prevailing at the time of the activating event. 10% of all fees charged at £15 per hour or above shall be paid to the coveree. Which will be to cover the costs of the business.

The professional nominee shall be reimbursed by the coveree’s business for any reasonable expenses properly incurred while managing the business.

## **5 Power of attorney**

The coveree shall enter into a power of attorney in the form annexed to this agreement to give the professional nominee the authority to act on behalf of the coveree in the event of one of the activating events set out in clause 3 coming into effect.

## **6 HM Revenue and Customs**

The professional nominee shall not be considered to be an employee by the coveree.

The professional nominee shall not accrue any interests that an employee may accrue for example:

- 1) holiday pay, leave or entitlement
- 2) statutory sick pay, leave or entitlement
- 3) statutory maternity pay, leave or entitlement
- 4) statutory redundancy pay, 'gardening leave', redundancy pay or entitlements
- 5) bonuses
- 6) any employee benefits.

The professional nominee bears the sole risk of any action brought by the HM Revenue and Customs (or other Governmental bodies, agencies or organisations) that contest the status of the professional nominee, and the professional nominee shall indemnify the coveree for any financial loss arising as a result.

This is a "contract for services" both by the terms of this contract and in fact.

## **7 Signatories**

The Professional Nominee shall not become a signatory on the following bank accounts of the Coveree, during the Active period of this contract:

The professional nominee may sign letters and documents on behalf of the Coveree.

The professional nominee may not enter into any contract for the purchase of goods or supplies and may not enter into any purchase contract.

## **8 Central clauses**

In the case of Event (A), the death of the coveree, the professional nominee will manage the coveree's practice with a view to selling the practice as a going concern for the best price obtainable and at the earliest opportunity. The professional nominee is acting as agent of the coveree and cannot purchase the practice for himself (or herself) either directly or indirectly. The professional nominee must disclose to the coveree's solicitor, executor and beneficiaries any business or personal relationship that exists between himself (or herself) and the purchaser or potential purchaser of the practice.

In the case of event (B), the professional nominee will manage the practice with due skill and care until he (or she) is instructed otherwise by the coveree's spouse.

In the case of event (C), the professional nominee will manage the practice with due skill and care until he (or she) is instructed otherwise by the coveree.

In the case of Event (D), the professional nominee will manage the practice with due skill and care until he (or she) is instructed otherwise by the coveree.

The professional nominee shall manage the practice under the existing name and shall only trade under that name unless a change of name is required as a precursor to the sale of the practice.

The professional nominee shall take all reasonable steps to preserve the goodwill of the practice.

The professional nominee shall notify the following that he (or she) is acting as the professional nominee to maintain continuity of practice:

- 1) the coveree's bank
- 2) the coveree's clients

## **9 In the event of death**

In the event of the death of the coveree, the executor or administrator of the coveree's estate will immediately authorise the professional nominee to open and operate the necessary accounts in the name of the practice at its existing bank to enable the coveree's business to continue and for salaries and expenses to be paid pending the grant of probate of the Will or the grant of letters of administration.

The executor or administrator will make an arrangement with the bank for temporary overdrafts to enable the bank accounts to operate and for the overdraft to be repaid out of the Coveree's estate when probate or letters of administration have been granted.

Prior to the grant of probate or letters of administration being granted all moneys received by the practice shall be paid into the new account.

## **10 Breach of contract**

### **Breach of contract by the Professional Nominee**

In the event that the professional nominee has made a financial decision which, at the time, was made in good faith and considered to be the best course of action then the professional nominee will not be held liable for any financial loss suffered by the coveree.

The professional nominee will be acting as the agent of the coveree and the principles of agency apply at all times.

The professional nominee has a duty of care to the coveree.

The professional nominee will be in breach of this contract if he or (she) does not act as professional nominee to maintain continuity of business after they become aware that an activating event has occurred and this contract has become active.

The professional nominee will NOT be in breach of this contract if he (or she) in the course of acting as professional nominee discovers that the coveree has been:

- 1) trading while insolvent
- 2) trading with no reasonable prospect of being able to pay her creditors' invoices as and when they become due.

### **Breach of contract by the coveree**

The coveree will be in breach of this contract if she cannot pay the professional nominee's invoices as and when they fall due.

## **11 Termination of contract**

### **Before an activating event**

This contract may be terminated by either party at any time before an activating event by notifying the other party in writing.

### **After an activating event**

The contract may be terminated by the professional nominee who must give at least {insert the number of months} notice in writing.

In the case of event (A), the coveree's parents may terminate the contract by advising the professional nominee that the contract has been terminated with immediate effect. It is at the sole discretion of the coveree's parents to give notice and to decide how long the notice period should be. The professional nominee may be advised of the termination verbally or in writing. However if the professional nominee is advised verbally then this should be confirmed in writing by the coveree's spouse within 14 days.

In the case of event (A), the coveree's executor may terminate the contract by giving the professional nominee a verbal or written instruction that the professional nominee is no longer required to maintain continuity of business.

In the case of event (b), the coveree's parents may terminate the contract by giving the professional nominee a verbal or written instruction that the professional nominee is no longer required to maintain continuity of business.

In the case of event (C), only the Coveree may terminate the contract by giving the professional nominee a verbal or written instruction that the professional nominee is no longer required to maintain continuity of business.

In the case of event (D), only the coveree may terminate the contract by giving the professional nominee a verbal or written instruction that the professional nominee is no longer required to maintain continuity of business.

## **12 Use of subcontractors**

The professional nominee may subcontract any or all parts of the work as he (or she) sees fit but will undertake to supervise that work.

The responsibility and liabilities to the coveree for the 'continuity of business' work rests with the professional nominee and while the 'continuity of business' work can be subcontracted the responsibility and liabilities cannot.

## **13 Clients of the coveree**

The Professional nominee may approach the coveree's clients while this contract is in abeyance, before any activating events, with a view to persuading them to become the professional nominee's clients.

When the contract is active and the professional nominee is in the process of providing professional cover then the professional nominee must not use this opportunity to steal the coveree's clients.

The professional nominee must not approach, nor accept an approach from, any of the coveree's clients for up to a period of twelve months after the end of an active period with a view to stealing them from the coveree.

#### **14 Professional Indemnity Insurance (PII)**

The professional nominee is acting for and on behalf of the coveree when undertaking work for the coveree's client. Therefore the professional nominee will be indemnified by coveree's PII for any action brought by the coveree's clients.

The Professional nominee is acting for and on behalf of the coveree when managing the coveree's practice. Therefore the professional nominee will be indemnified by the coveree's PII for any action brought by the coveree's creditors, finance companies, bankers and business related third parties.

The professional nominee will NOT be indemnified by the coveree's PII for any breach or action brought by the coveree or in the name of the coveree's estate.

The coveree has advised her PII provider that the coveree's PII should extend to cover the professional nominee in the event that this is required.

#### **15 Client confidentiality**

It is essential that the professional nominee maintain client confidentiality of information acquired during the performance of this contract and should only disclose information where proper and specific authority is given or where there is a legal requirement or professional right or duty to disclose.

#### **16 Data protection**

When this contract is active the professional nominee is personally responsible for any civil liabilities and financial penalties arising as a result of any action taken or not taken by the professional nominee under the prevailing Data PROTECTION act and any associated legislation.

#### **17 Money Laundering Regulations**

When this contract is active the professional nominee is personally responsible for any civil liabilities, criminal liabilities, financial penalties, custodial or other sentences arising as a result of any action taken or not taken by the professional Nominee under the prevailing Money Laundering Regulations and any associated legislation.

#### **18 Contracts (rights of third parties) Act 1999 (C(RTP)A)**

Unless otherwise expressly stated nothing in this contract shall create or confer any rights or benefits pursuant to the C(RTP)A in favour of any person other than the parties to this contract.

#### **19 Jurisdiction and Governing Law**

This contract shall be governed by and construed in accordance with the laws of England and the parties agree irrevocably to submit to the jurisdiction of the courts of England and Wales.

#### **Signatures**

Name of person acting as Professional Nominee

Date signed

Name of witness

Date signed

Address of witness

Name of person requiring 'continuity of practice'

Date signed

Name of witness

Date signed

Address of witness