

SAMPLE REPRESENTATION LETTER
AUP EXPENSES

Date (*same date of the report*)

CPA Smart
San Juan, Puerto Rico

In connection with your engagement to apply agreed-upon procedures performed to the Schedule C-Schedule of Expenses Allowed as a Deduction on the Income Tax Return for ABT or AMT for the period ended December 31, 20XX (the Schedule) as required by the Circular Letter of Internal Revenue No. 19-14 (CL 19-14) or the year ended _____ as required by Sections 1021.02 and 1022.04 of the Puerto Rico Internal Revenue Code of 2011, as amended. We confirm, to the best of our knowledge and belief, the following representations made to you during your engagement to perform agreed upon procedures on the Schedule C-Schedule of Expenses Allowed as a Deduction on the Income Tax Return for ABT or AMT Subject to the Agreed Upon Procedures for the period ended December 31, 20XX (the Schedule):

1. We submitted to you a draft of the tax return of ABC Company / (*Mr. Smith*) for the year ended _____ 20XX.
2. The amounts included in the Schedule ties to the trial balance for the corresponding accounting period or to a detail of items comprising the amount claimed, except as otherwise disclosed in your report.
3. We agree with the materiality level computed in accordance with the criteria established by CL 19-14. The computed materiality was \$XX,XXX.
4. We agree with the representative sample obtained using parameters in accordance with the criteria established by CL 19-14. The sample size determined was XX.
5. We agree with the allocation of the sample size to the expense categories determined in accordance with the methodology established in CL 19-14.

6. We have submitted for each sample selected, supporting documentation (e.g. contracts, invoices, purchase orders, receiving report, cancelled checks if paid before the issuance of your report, and other evidence necessary to validate that the expense was incurred) as provided in CL 19-14 for the applicable expense category, and to ascertain that the expense is reasonably related to our operations, except as included as an Exception or Findings in your report.
7. We are responsible for selecting the criteria and for determining that such criteria is appropriate for our purposes.
8. We have discussed to you all (or "There are no") known matters contradicting the Schedule for the year ended _____in accordance with Sections 1021.02 and 1022.04 of the Puerto Rico Internal Revenue Code of 2011, as amended.
9. We have disclosed to you any (or "There are no") communication from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the Schedule for the year ended _____in accordance with Sections 1021.02 and 1022.04 of the Puerto Rico Internal Revenue Code of 2011, as amended, including communication received between (date or period end addressed by the assertion) and (date of agreed-upon-procedures report).
10. We have provided to you with access to all records that we believe are relevant to Schedule for the year ended _____in accordance with Sections 1021.02 and 1022.04 of the Puerto Rico Internal Revenue Code of 2011, as amended.
11. We have responded fully to all inquiries made to us by you during the engagement.
12. No events have occurred subsequent to (date of the subject matter) that would require adjustment to or modification of the Schedule for the year ended _____in Sections 1021.02 and 1022.04 of the Puerto Rico Internal Revenue Code of 2011, as amended.

Signature_____

Title_____