

# TAX RISK INSURANCE

## EFFECTIVE INSURANCE PROTECTION AGAINST SARS' TAX AUDITS AND RELATED DISPUTES

The risk of a SARS' tax audit is real. Cover against a SARS' audit has become a top priority.

### WHO SHOULD BE COVERED?

SMALL TO MEDIUM-SIZED COMPANIES

TRUSTS

OWNERS OF SMALL TO MEDIUM-SIZED COMPANIES

HIGH-NET-WORTH INDIVIDUALS (HNWIs)

### WHY

- SARS is under pressure to meet targets which is leading to increased audits
- Having a competent accountant or tax practitioner no longer guarantees protection
- It is very difficult for your accountant to be 100% up to speed with new tax legislation at all times
- Your clients' accountants cannot defend them in a court of law
- Many tax assessments are irrational
- SARS doesn't always follow procedures & timelines
- Taxpayers are at risk as they do not understand their rights
- Cost to defend against a tax audit is debilitating

### HOW DOES IT WORK?

If your client is selected for a SARS tax audit or a related dispute, we will appoint and pay for a team of tax professionals who will defend the taxpayer to ensure a fair audit outcome.

THIS MAY INCLUDE

ACCOUNTANTS

AUDITORS

TAX ATTORNEYS

TAX SPECIALISTS

TAX ADVISORS

If your client has an Accountant, he/she will be a central part of the team and the fees will be paid for services during the claim.



### TICKING THE BOXES

- ✓ Affordable premiums
- ✓ Can claim more than once, per annum
- ✓ Cover is retrospective - no waiting period
- ✓ Once policy is active - you are protected no matter how far back SARS assesses
- ✓ Your accountants' fees are covered for services during the claim
- ✓ Excess - 10% of claim, min R1 500
- ✓ Premiums includes VAT
- ✓ 20% broker commission included in premium
- ✓ Indemnity limit is fixed, so you know what you have available





## AT A GLANCE

### BENEFITS

- Affordable monthly premiums
- Risk cover in the event of a tax audit for individuals and companies
- Access to SA's top tax specialists
- Removes uncertainty of an unexpected SARS' tax audit and related dispute
- Covers cost of your accountant's time, experience and expertise
- Ensures fair tax treatment and audit outcomes

### EXCLUSIONS

- Audits/disputes which have commenced prior to inception of policy
- Matters where fraud or crime is involved
- Audits as a result of late submission of tax returns without extension
- Matters relating to income generated outside of South Africa
- Costs associated with normal preparation of tax returns and supply of routine supporting information
- Matters relating to customs and excise and exchange control legislation
- Where no proper accounting records were kept
- Taxes, interest, penalties or fines imposed by SARS



## PRODUCT OFFERINGS

Tax Risk Insurance cover is available as either an individually underwritten "Classic" product, or as a "Value Added" product added to commercial and personal lines policies on broker administration systems.

### STAND-ALONE PRODUCTS

Available via conventional paper application forms, or via an on-line portal added to your website.



#### > CLASSIC PRODUCT

Offering individuals and companies robust cover at affordable premiums.

#### PREMIUM RATES (INCLUSIVE OF VAT)

Companies		
<i>Your annual turnover last year</i>	Monthly	Annual
Less than R 3,000,000	R219	R2 628
R3,000,000 to R10,000,000	R349	R4 188
R10,000,000 to R25,000,000	R499	R5 988
R25,000,000 to R50,000,000	R899	R10 788
R50,000,000 to R100,000,000	R1 299	R15 588
More than R100,000,000	Contact us for a customised quote	
Individuals		
<i>Your taxable income last year</i>	Monthly	Annual
Less than R 2,000,000	R210	R2 520
R2,000,000 to R5,000,000	R299	R3 588
More than R5,000,000	Contact us for a customised quote	

#### INDEMNITY LIMITS

Companies		
<i>Your annual turnover last year</i>	Annual Rand Limit	Annual Hours Limit
Less than R 3,000,000	R250,000	or 50 hours, whichever is lesser
R3,000,000 to R10,000,000	R300,000	or 100 hours, whichever is lesser
R10,000,000 to R25,000,000	R500,000	or 150 hours, whichever is lesser
R25,000,000 to R50,000,000	R750,000	or 200 hours, whichever is lesser
More than R50,000,000	R1,000,000	or 300 hours, whichever is lesser
Limited to 100 hours per Any One Claim		
Individuals		
<i>Your taxable income last year</i>	Annual Rand Limit	Annual Hours Limit
Less than R 2,000,000	R100,000	or 50 hours, whichever is lesser
More than R2,000,000	R300,000	or 100 hours, whichever is lesser
Limited to 50 hours per Any One Claim		

- Each taxpayer must have his / her / its own policy.
- A policy only covers the one named taxpayer.
- Excess = 10% of claim, minimum R1 500.

The above is a summary of the Indemnity Limits of the Policy. The Indemnity Limit is equal to the Annual Rand Limit or the Annual Hours Limit, whichever is the lesser.

## ✓ > TRUST PRODUCT

Ensuring your trading and passive trusts are protected

### PREMIUM RATES (INCLUSIVE OF VAT)

Trading Trusts		
A trust that actively carries on business or trading, or is used in the conduct of business.		
<i>Your annual turnover last year</i>	Monthly	Annual
Less than R 3,000,000	R179	R2 148
R3,000,000 to R10,000,000	R249	R2 988
R10,000,000 to R25,000,000	R399	R4 788
R25,000,000 to R50,000,000	R575	R6 900
R50,000,000 to R100,000,000	R999	R11 988

### INDEMNITY LIMITS

Trading Trusts			
<i>Your annual turnover last year</i>	Annual Rand Limit	Annual Hours Limit	
Less than R 3,000,000	R250,000	or	50 hours
R3,000,000 to R10,000,000	R250,000	or	100 hours
R10,000,000 to R25,000,000	R250,000	or	150 hours
R25,000,000 to R50,000,000	R250,000	or	150 hours
R50,000,000 to R100,000,000	R250,000	or	150 hours
	Limited to 50 hours per Any One Claim		

Passive Holding Trusts	
A trust under which property held by a trustee trustee is used for passive investment.	
Monthly	Annual
R249	R2 988

Passive Holding Trusts	
Annual Rand Limit	Annual Hours Limit
R250,000	or 100 hours
Limited to 50 hours per Any One Claim	

- Each taxpayer must have his / her / its own policy.
- A policy only covers the one named taxpayer.
- Excess = 10% of claim, minimum R1 500.

The above is a summary of the Indemnity Limits of the Policy. The Indemnity Limit for the product category selected is equal to the Annual Rand Limit or the Annual Hours Limit, whichever is the lesser.

## VAP PRODUCT

Available on all broker administration systems. Add to existing commercial and personal lines policies.

## ✓ > COMMERCIAL LINES (INCL TRUSTS & SOLE PROPS)

Offering individuals and companies lower premiums with great cover.

### PREMIUM RATES (INCLUSIVE OF VAT)

Standard		
<i>Your annual turnover last year</i>	Monthly	Annual
Less than R20, 000,000	R100	R1 200

### INDEMNITY LIMITS

Standard	
<i>Your annual turnover last year</i>	Annual Rand Limit
Less than R20, 000,000	R110 000 per annum Limited to R67 500 per claim

Executive		
<i>Your annual turnover last year</i>	Monthly	Annual
Less than R50, 000,000	R270	R3 240

Executive	
<i>Your annual turnover last year</i>	Annual Rand Limit
Less than R50, 000,000	R300 000 per annum Limited to R150 000 per claim



## > PERSONAL LINES PRODUCT (EXCLD TRUSTS AND SOLE PROPS)

Offering individuals and companies lower premiums with great cover.

### PREMIUM RATES (INCLUSIVE OF VAT)

Standard		
Your annual turnover last year	Monthly	Annual
Less than R1, 000,000	R43	R516

Executive		
Your annual turnover last year	Monthly	Annual
Less than R3, 000,000	R99	R1 188

### INDEMNITY LIMITS

Standard	
Your annual turnover last year	Annual Rand Limit
Less than R1, 000,000	R50 000 per annum Limited to R25 000 per claim

Executive	
Your annual turnover last year	Annual Rand Limit
Less than R3, 000,000	R110 000 per annum Limited to R67 500 per claim

- Each taxpayer must have his / her / its own policy.
- A policy only covers the one named taxpayer.
- Excess = 10% of claim, minimum R1 500.

The above is a summary of the Indemnity Limits of the Policy.



## EASY CLAIMS PROCESS

- 1 > Notify us on **0861 473 738** or **claims@taxrisk.co.za** within 30 days of SARS' tax audit
- 2 > We will assess the claim and notify you when your claim is approved
- 3 > **Tax specialists** will be appointed
- 4 > Your defence starts **immediately**



## SIGN UP FOR A TAX RISK POLICY.

CONTACT YOUR INSURANCE BROKER TO GUIDE YOU THROUGH THE PROCESS.