

Taxwise Plus Policy Wording (Regulated)

The Policy Schedule, Contract, Practice Profile and any other information supplied or requested as part of the proposal are incorporated into this Policy.

The Insurer Will Cover

Fees and disbursements *incurred* by the *appointed agent*:

- (a) attending meetings with H M Revenue & Customs (HMRC), or;
- (b) responding to correspondence from HMRC;

on a *policyholder's* behalf and in respect of an *insured event* covered by this Policy, up to and including an appeal to the First-tier Tribunal or Upper Tribunal.

Following an appeal to the Upper Tribunal or where there is no right of appeal to the Tribunal, the Policy will cover an application for Judicial Review.

The Insurer Will Not Cover

Fees and disbursements *incurred* by the *appointed agent*:

1. Before *Taxwise* has accepted the claim or *incurred* without prior written authorisation by *Taxwise*.
2. In respect of a claim that has arisen directly from either an *insured event* which occurred or facts and events that existed, prior to the inception of this Policy or prior to the *policyholder* being declared for inclusion under this Policy.
3. In respect of a claim notified outside of the *period of insurance*.
4. Relating to a criminal prosecution, or in respect of a claim where the *policyholder* has acted fraudulently or not given a full and truthful account of their affairs to the *appointed agent*.
5. In respect of a claim where a *policyholder's* tax return, or an amendment to a *policyholder's* tax return, or any other statutory return was submitted more than 30 days after the statutory filing date, unless HMRC accept the reason for delay.
6. Relating to any claim where HMRC have not been notified of chargeability to tax within the statutory time limits.
7. In respect of the routine presentation of the *policyholder's* affairs, including the:
 - (a) the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns, any other statutory returns;
 - (b) the reconciliation of annual accounts with VAT returns;

- (c) reconstruction of books or records that have been poorly maintained;
 - (d) auditing of *policyholders* books and/or records;
 - (e) fees and disbursements *incurred* obtaining a professional valuation for Capital Gains Tax purposes;
- or any other work, that should have been routinely undertaken, at the *policyholder's* own expense.

8. In respect of an enquiry by the Special Civil Investigations Office under Code of Practice 8 or an enquiry held under section 60 or 61 of the VAT Act 1994 or any matters handled by the National Investigations Service of HMRC, unless at the conclusion of such enquiry it is held that the *policyholder* was not guilty of any fraud, fraudulent intent or serious irregularities.
9. In respect of an enquiry by the Special Civil Investigations Office under Code of Practice 9.
10. Relating to a tax avoidance mechanism which is regarded by HMRC as a Tax Avoidance Scheme.
11. Once the *policyholder* has become insolvent, except in the case of a Members Voluntary Liquidation.
12. Directly as a consequence of the *appointed agent* and/or *policyholder* not taking all reasonable steps to minimise the cost and effect of their claim, or in respect of fees or disbursements that have not been reasonable and properly *incurred*.
13. Where the *appointed agent* was not the *policyholder's* tax return agent, when the compliance check first commenced.
14. If at anytime any payment of any premium or part thereof has not been received by the *Taxwise*.
15. In respect of fees a Counsel, unless appointed or approved by *Taxwise*, to determine prospects of success.
16. In respect of any claim made, brought or commenced outside Great Britain and Northern Ireland, excluding the Isle of Man and the Channel Islands.

Specific Exclusions

The *insurer* will not cover any taxes, interest, penalties and fines or any other duties, which may be imposed upon a *policyholder* or the *appointed agent*.

General Conditions

1. Choice of Law

The law applicable to this Policy shall be English Law and the parties hereby agree to submit to the jurisdiction of the Courts of England and Wales.

2. Fraudulent or False Claims

If the *policyholder* makes a fraudulent or false claim, this Policy shall become void, any premiums shall be forfeited and any indemnity paid shall be recoverable by the *insurer*.

3. Duty to notify change of circumstances

The *policyholder* must, during the period for which this Policy shall provide cover, advise *Taxwise* in writing of any change in circumstances that may effect the *Taxwise* assessment of the risk and upon notification the *Taxwise* shall be entitled to withdraw cover or specify revised terms.

4. Right to settlement of duty

Where the *appointed agents* fees and disbursements are likely to exceed the tax duties that are being claimed against the *policyholder*, *Taxwise* may pay the *policyholder* a sum equivalent to the duties in lieu of fees and disbursements covered by the Policy.

5. Cancellation

This Policy may be cancelled in writing at any time by the *policyholder* by giving immediate written notice to the *Taxwise*. The *insurer* may also cancel this Policy by giving 30 days written notice to the *Policyholder*. In the event of cancellation the *policyholder* will be entitled to a full refund of premiums if the Policy is cancelled within the first 14 days of cover or a refund of a proportionate part of the premium corresponding to the unexpired period of cover where the Policy is cancelled after the first 14 days of cover. In the event an initial notification of a claim has been made then there shall be no right to a refund of any premium.

Claims Conditions

In the event of a claim:

1. The *policyholder* or *appointed agent* must notify *Taxwise* as soon as is reasonable possible, in writing or via the *Taxwise* On-line system, and before they incur fees and disbursements. *Taxwise* may authorise fees of up to £750, prior to receiving a completed Claim Form, although payment up to this amount will only be made if on receipt of the completed Claim Form it is determined that the claim is covered under this Policy

2. The *policyholder* or *appointed agent* must then complete and return a Claim Form to *Taxwise*, together with any other information or documents requested on the Claim Form.

3. *Taxwise* will then advise whether the claim is covered by the Policy and the amount that has been authorised, which will normally be an amount sufficient to deal with the foreseeable work. This amount must not be exceeded without first obtaining written consent from *Taxwise*.

4. Where the *policyholder* disputes or continues to dispute HMRC's findings, including rejecting a settlement offer, fees and disbursements will only be covered or continue to be covered if *Taxwise* is satisfied that the benefits likely to be obtained disputing the findings, justify the likely costs. When *Taxwise* considers this they will take into account the *policyholder* and/or *appointed agent's* opinion. If the *policyholder* proceeds without consent and is successful then all reasonable fees and disbursements will be covered as if consent had been given, subject to the terms and conditions of this Policy.

5. The *insurer* will pay the *appointed agent's* invoices for fees and disbursements up to the *limit of indemnity* provided that *Taxwise* are satisfied that the charges are reasonable and have been properly incurred. Interim invoices will be paid, although the *insurer* will be entitled to recover such payments, if for any reason it is determined that the fees and disbursements should not have been covered by the Policy.

6. *Taxwise* will be entitled to obtain from the *policyholder* and/or *appointed agent* any information or particulars whether privileged or not, relating to a claim.

7. Where it is possible to recover costs from the relevant authority following the successful defense of a claim, the *policyholder* must take all reasonable steps necessary to recover such costs and must in turn return any indemnity paid to the *insurer*.

8. The *appointed agent's* hourly charge out rates shall be limited to the amounts listed on the Policy Schedule.

9. The *insurer* will not pay any VAT charged by the *appointed agent* to the *policyholder*, where the *policyholder* can recover the VAT from HMRC.

Customer Service

If you are not satisfied with any aspect of this Policy or our service, you should write to: The Operations Director, Taxwise Services Limited, 1st Floor Stockwell House, New Buildings, Hinckley, Leicestershire, LE10 1HW.

If you wish to put your complaint direct to the *insurer*, their address is Irwell Insurance Company Limited, The Peninsula Building, 2 Cheetham Hill Road, Manchester, M4 4FB.

If your complaint is not resolved you can refer your complaint to the Financial Ombudsman Service. You may be entitled to compensation from the Financial Services Compensation Scheme in the event that the *insurer* is unable to meet its liabilities.

Definitions

The words explained below will have the same meaning wherever they appear within the Policy or Policy Schedule.

Appointed agent - An accountant or other appropriately qualified person or firm as nominated on the Policy Schedule or as approved by the *insurer*, who arranges, manages or introduces this insurance on the *policyholder's* behalf and who is appointed to represent the *policyholder* in accordance with the terms of this Policy.

Excess - The first amount of any claim detailed in the Policy Schedule and borne by the *policyholder* in respect of each and every claim.

Incurred – work undertaken by the *appointed agent* for which an invoice may or may not have been invoiced.

Insured Event – The date on which the *policyholder* receives a notification in writing by HMRC of a check, enquiry, visit, meeting or dispute.

Insurer – Irwell Insurance Company Limited.

Limit of Indemnity – The maximum amount payable by the *insurer* in respect of any one claim and in the aggregate for all claims made during any *period of insurance* in respect of any one *policyholder*. Multiple compliance checks or enquiries which are run concurrently into a single *policyholder* or connected *policyholders* will be regarded as one claim.

Period of Insurance – The period for which the *insurer* has agreed to provide this insurance as shown on the Policy Schedule.

Policyholder – The company, firm, partnership, association, individual or any other entity that has paid the appropriate premium, declared by the *appointed agent* for inclusion in this Policy.

Taxwise – Taxwise Services Limited, which manages claim settlements on behalf of the *insurer*.