

TAX:WISE

**Premier Protection**

# Taxwise Premier Protection

**Important:** This is a 'claims made' insurance, which means we must receive claims during the period of insurance.

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 pay the policyholder's incurred costs in respect of any insured incident for which the policyholder has cover shown as operative on your summary of cover, if the premium has been paid.

The insurer will provide cover as long as

- (a) we receive the policyholder's claim during the period of insurance; and
- (b) any insured incident is within the United Kingdom of Great Britain and Northern Ireland excluding the Isle of Man and the Channel Islands; and
- (c) (i) for any alleged liability to tax, National Insurance Contributions, underpayment of the National Minimum Wage or any consequent and related penalties, or  
(ii) if the policyholder disputes or continues to dispute HMRC's findings, including rejecting a settlement offer

Taxwise are satisfied that the likely costs will be justified by the reduction in the policyholder's liability and/or the benefits likely to be obtained by disputing the findings. When Taxwise are satisfied of this, they will take into account the policyholder and/or representative's opinion when deciding whether or not to consent to the costs incurred. If the policyholder proceeds without consent and succeeds, then the insurer will cover all reasonable fees and disbursements as if consent had been given, subject to the terms and conditions of this Policy.

The most the insurer will pay

- (a) for all claims resulting from one or more events arising at the same time or from the same originating cause; and
- (b) in respect of your hourly charging rates; and
- (c) for claims administration costs

is shown under 'Maximum Amounts Payable' on your policy schedule.

## Meanings of words in this policy

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

### Appointed agent/you/your

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.

### Taxwise/we/us/our

Taxwise Services Limited, who manage claim settlements on behalf of the insurer.

### 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

Costs reasonably and necessarily incurred by the representative with our consent in acting for a client in connection with an accepted claim, including

- (a) the costs of telling, helping and giving information and documents to HMRC to minimise HMRC penalties; and
- (b) claim administration costs.

### Insurer

Irwell Insurance Company Limited.

### Limit of Indemnity

The maximum amount payable by the insurer in respect of any one claim and in total 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

- (a) A policyholder, in the appropriate category described in the policy schedule, declared to us by you, for whom you act as Income Tax or Corporation Tax Self Assessment return agent; or
- (b) a registered charity for which you have a current engagement letter for the ongoing provision of accountancy, tax, or audit services or a combination of these.

### Representative

You, we or another suitably qualified person or firm we appoint to act for the policyholder, under the terms of the Policy.

### RTI

Real Time Information, which is how HMRC obtains information from employers about their operation of Pay As You Earn.

## Insured Incidents

### The Insurer Will Cover

Representing the policyholder during

- (a) any compliance check started by HMRC regarding the policyholder's compliance with
  - (i) Income Tax and/or Corporation Tax Self Assessment;
  - (ii) PAYE, National Insurance, Construction Industry, IR35;
  - (iii) VAT;
  - (iv) National Minimum Wage or Gift Aid legislation and regulations; and
- (b) any consequent dispute with HMRC after the issue of an assessment, computation of liabilities, written decision, notice of VAT civil penalty or notice of underpayment of the National Minimum Wage; and
- (c) any claim in respect of
  - (i) Inheritance Tax enquiries
  - (ii) Child Tax Credit enquiries
  - (iii) a compliance check carried out under HMRC Code of Practice 8 (provided fraud is disproved)

and any consequent appeal to the First-tier Tribunal (Tax), Upper Tribunal (Tax and Chancery) or Employment Tribunal and any appeal against such a tribunal's decision.

After 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.

Provided that

- (i) the policyholder's statutory returns, appropriate to the insured incident, were submitted to HMRC within 90 days of their statutory filing dates; and
  - (ii) any unsubmitted HMRC returns appropriate to the insured incident were no more than 90 days past their due filing date when the compliance check started
- unless HMRC accepts the reason for the delay;
- (iii) an amendment to a provisional statutory return to provide final return entries is made and submitted to HMRC within 90 days of the date of submission of the original return;
  - (iv) any other amendment to a statutory return is made and submitted to HMRC within 12 months of the date of submission of the original return;
  - (v) where a return has not been issued, the policyholder has notified HMRC within the statutory time limits of chargeability to tax; and/or (if appropriate to the insured incident) its operation of PAYE and its use of subcontractors in the construction industry; and has registered for VAT where required;
  - (vi) the policyholder is a policyholder when a compliance check by HMRC begins;
  - (vii) during a VAT or PAYE compliance visit, it is agreed that attendance by the representative is necessary and the matter cannot be dealt with by the policyholder alone;
  - (viii) we give our prior consent to any appeal to a tribunal or court;
  - (ix) the policyholder is a registered charity and is registered with HMRC to claim Gift Aid relief if HMRC is checking the policyholder's Gift Aid compliance.

## The Insurer Will Not Cover

1. Any claim or matter where any circumstances of it existed before the policyholder's cover began and about which you or the policyholder knew or ought to have known.
2. Any compliance check
  - (a) carried out under HMRC Code of Practice 9;
  - (b) carried out under Code of Practice 8 or an enquiry held under Public Notice 160 or Section 60 or 61 of the VAT Act 1994 or any matters handled by National Investigations Service of HMRC, Civil Investigations of Fraud Procedure or Contractual Disclosure Facility, unless at the conclusion of such check it is held that the policyholder was not guilty of any fraud, fraudulent intent or serious irregularities;
  - (c) by, with, arising from or on behalf of HMRC Criminal Taxes Unit or Criminal Intelligence Group;
  - (d) (i) into, relating to or arising from an avoidance scheme reportable to HMRC under its Disclosure of Tax Avoidance Schemes (DOTAS) rules or any matter relating to marketed or promoted bespoke tax-planning arrangements outside the normal trade (regardless of whether a DOTAS disclosure applies); or  
(ii) carried out by, on behalf of, or arising from any HMRC counter-avoidance team;
  - (e) concerning compliance with Tax Credits legislation (excluding Child Tax Credit enquiries), import or excise duties;
  - (f) where the policyholder has unreasonably failed to implement changes or corrections already identified and agreed with HMRC or has been identified as a deliberate defaulter by HMRC.
3. Any case referred to the General Anti-Abuse Rules Advisory Panel.
4. Taxes, fines, penalties, interest, compensation, damages or wages that the policyholder may be required to pay.
5. Costs in respect of the routine presentation of the policyholder's affairs, including:
  - (a) the preparation, rectification and/or submission of accounts, records or statutory returns;
  - (b) the reconciliation of annual accounts with VAT returns or the reconciliation of CIS returns with P35s;
  - (c) reconstruction of books or records that have been poorly maintained;
  - (d) auditing of policyholder's books and/or records
  - (e) arriving at asset valuations including the cost of professional valuations;
  - (f) obtaining and renewing dispensations;
  - (g) compliance work that can normally be done by the policyholder or any other work that should have been routinely done at the policyholder's expense.
6. The cost of reconciling unreconciled statutory returns and RTI data and the cost of providing accurate data in RTI returns.
7. Any criminal prosecution or a claim where the policyholder has acted fraudulently.
8. Defending Employment or Industrial Tribunal or Civil Court legal proceedings.
9. Any representation costs if either at the start or during the course of the claim, you or the policyholder is bankrupt or has filed a petition for bankruptcy or a winding-up petition or enters into a deed of arrangement with creditors or is in liquidation (except in the case of a Members Voluntary Liquidation).
10. Any representation costs if either at the start or during the course of a claim, the policyholder ceases to be your client and no longer wishes you or us to act as its representative.
11. Fees incurred as a consequence of the appointed agent or representative's professional negligence, which would normally be covered under a Professional Indemnity Insurance Policy.
12. Any claim relating to any non-contracting party's right to enforce all or any part of this Policy. The Contracts (Rights of Third Parties) Act 1999 does not apply to this Policy.

## Conditions which apply to your policy

### General Conditions

#### 1. Policy administration

We will administer the policy on behalf of the insurer.

#### 2. Compliance

You and the policyholder must keep to the terms and conditions of your policy.

#### 3. Premiums

Your premium is based on the details of the policyholders provided at the start and renewal of your policy and during the period of insurance. You must keep proper records of the policyholders and declare them to us accurately and on time. You must allow us or the insurer to inspect this record if required.

#### 4. Alteration in risk

You must notify us immediately of any alteration that may materially affect the insurer's assessment of the risk. On receiving notification, Taxwise are entitled to withdraw cover or specify revised terms.

#### 5. Cancellation

We or the insurer may cancel your policy by writing to you at least 30 days beforehand. If a policyholder cancels, 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 if the Policy is cancelled after the first 14 days of cover. If an initial notification of a claim has been made, there is no right to a refund of any premium.

#### 6. Differences

If there is a disagreement arising from your Policy that is not resolved through our or the insurer's internal complaints procedures, you may be able to contact the Financial Ombudsman Service for help. Details are available from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Alternatively, the parties in dispute can choose another suitably qualified person to arbitrate. All parties must agree to the choice in writing. Failing this, we will ask the president of a national association relevant to the arbitration to choose a suitably qualified person. All costs of resolving the matter must be paid by the party whose argument is rejected. If the decision is not clearly made against either party, the arbitrator will decide how the costs are shared. These costs will not be recoverable under this policy.

#### 7. Jurisdiction

Your Policy is governed by English Law and the parties agree to submit to the jurisdiction of the Courts of England and Wales.

#### 8. Acts of Parliament

All Acts of Parliament in your policy wording include equivalent legislation in Scotland and Northern Ireland.

## Claims Conditions

### 1. Information about the claim

- (a) You must send us written details of any claim as soon as possible.
- (b) You and the policyholder must, if we ask, complete and return a claim form to us promptly along with any supporting information we require.
- (c) The policyholder must at all times during the course of the claim give the representative and us a full and truthful account of its affairs, including any relevant supporting information.
- (d) You, the policyholder or the representative must, if we ask, send us any relevant information we require.

### 2. Representation

We will appoint the representative in the name and on behalf of the policyholder. The policyholder has the right to nominate us or another person or firm to act as representative in connection with an insured incident. Any dispute over the policyholder's choice of person or firm to act as representative may be settled under General condition 6.

### 3. Control of the claim

We will have direct contact with the representative, who must

- (a) represent the policyholder according to our terms of appointment;
- (b) co-operate fully with us at all times;
- (c) keep us up to date with the progress of the claim;
- (d) take all steps to minimise costs incurred.

The policyholder must

- (i) co-operate fully with the representative and us at all times;
- (ii) follow the representative's advice;
- (iii) take all steps to minimise incurred costs;
- (iv) have the incurred costs assessed or audited if we ask;
- (v) give the representative any instructions we require.

### 4. Early settlement

If you, the policyholder or the representative settle or withdraw from a matter without our consent, which results in the payment of incurred costs, then cover will end at once and the insurer will be entitled to reclaim any incurred costs it has paid or incurred.

### 5. Option to reimburse

The insurer may pay the policyholder an amount up to the value of the tax, interest and penalties sought by HMRC instead of incurred costs.

### 6. Other insurance

If any claim covered under this policy is also covered by another policy, or would have been covered if this policy did not exist, we will only pay our share of the claim.

### 7. Opinions

We may at our discretion require the policyholder to obtain an opinion from counsel or other suitably qualified person at the policyholder's expense as to the merits of a claim or proceedings. If the opinion indicates there are reasonable grounds to continue with the claim, and we agree, the costs of the opinion will be paid by the insurer.

### 8. Rights against other parties

We or the insurer can take, in the policyholder's name, all steps necessary to enforce the policyholder's rights against any party at any time. The insurer will be entitled to any incurred costs recovered.

### 9. Fraudulent or False claims

At our discretion, we or the insurer will avoid the policy from its start date or from the date of a claim, or alleged claim, or the insurer will not pay the claim if

- (a) a claim made to obtain benefit under this policy is fraudulent or intentionally exaggerated; or
- (b) a false declaration or statement is made in support of a claim.

In these circumstances, we or the insurer will, at our discretion, share information with other parties such as the police, government bodies and anti-fraud organisations as part of our fraud-prevention measures.

## Making a Claim

The policyholder or appointed agent must notify Taxwise as soon as reasonably possible, in writing or via the Taxwise Online system, and before incurring fees and disbursements.

If we accept the claim based on the information provided, we will agree a budget with you to do the necessary work and consider your costs based on the agreed budget. If we require you to complete a claim form and/or send us further information to make a decision, we will let you know.

While we await the fully completed claim form and supporting information, you may start work on the matter if necessary. We will consider paying up to the equivalent of five hours' partner time OR £750 (whichever is the greater) incurred before we provide formal acceptance of the claim, subject to other policy terms and conditions being met.

We will normally let you have our claim decision within two working days of receiving the completed claim form and supporting information.

## Customer care

If you are not satisfied with any aspect of this Policy or our service, you should write to The Managing Director, Taxwise Services Limited, Stockwell House, New Buildings, Hinckley, LE10 1HW. Alternatively, you can contact us on 01455 852550.

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

We will agree an initial budget with you, which may be revised at any time. However, you must first telephone or write to us for agreement.

When we confirm acceptance of a claim in writing, we will send you, or another suitably qualified person or firm we have appointed, our Terms of Appointment. These explain the basis on which you, or the other person or firm, are appointed to act as the representative and how to submit invoices for incurred costs.

If it is possible to recover costs from the relevant authority after successfully defending a claim, the appointed agent must take all reasonable steps necessary to recover them. The appointed agent must then return to the insurer any indemnity paid.

The insurer will not pay any VAT charged by the appointed agent to the policyholder if the policyholder can recover the VAT from HMRC.

If your complaint is not resolved, you can refer it to the Financial Ombudsman Service. You can find more information on its website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if the insurer is unable to meet its liabilities. This depends on the type of business and the circumstances of the claim. Further information about the compensation scheme arrangements is available from the FSCS.

## Claims

**0844 892 2472**

## Enquiries

**0844 892 2473**

[www.taxwise-online.com](http://www.taxwise-online.com)

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Irwell Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Number 202897).

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