

Tax Enquiry Insurance Policy Wording



About this policy

This insurance policy has been arranged by Rhino Trade Insurance Services in conjunction with Vantage Protect Ltd and is underwritten by UK General Insurance Limited on behalf of:

Great Lakes Insurance SE. Great Lakes Insurance SE is a German insurance company with its headquarters at Königinstrasse 107, 80802 Munich. UK Branch office: Plantation Place, 30 Fenchurch Street, London, EC3M 3AJ.

Rhino Trade Insurance Services is a trading style of Vantage Protect Ltd. Vantage Protect Ltd and UK General Insurance Limited are authorised and regulated by the Financial Conduct Authority.

Great Lakes Insurance SE, UK Branch, is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Firm Reference No. 769884. Details about the extent of their regulation by the Financial Conduct Authority and Prudential Regulation Authority are available on request.

UK General Insurance Limited is authorised and regulated by the Financial Conduct Authority. Firm Reference No. 310101. You can check *Our* details on the Financial Services Register <https://register.fca.org.uk/>.

This is the Vantage Protect Solo Tax Enquiry Insurance Policy. The Policy Schedule, Order Form, Proposal Form and any other information supplied or requested as part of the proposal are incorporated into this Policy. The *insurer* will pay for *professional fees incurred* by the *appointed consultant* when undertaking work on the *policyholder's* behalf in respect of an *insured event* covered by this Policy. This is provided that the claim is notified to the *insurer* during the *period of insurance* or the *notification period* and the claim falls within the territorial limits.

Definitions

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

Appointed Consultant

An accountant or other appropriately qualified person or firm as nominated on the Policy Schedule or as approved by the *insurer*, who is appointed to represent the *policyholder* in accordance with the terms of this Policy.

Computer Virus

A set of corrupting, harmful, or otherwise unauthorised instructions or code, whether these have been introduced maliciously or otherwise, and multiply themselves through a computer system or network of whatsoever nature.

Electronic Data

Facts, concepts and information stored to form useable data for communications, interpretations, or processing by electronic or electromechanical data processing or other electronically controlled hardware, software and other coded instructions for the processing and manipulation of data, or the direction and manipulation of such hardware.

Excess

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

Incurred

Work undertaken by the *appointed consultant* for which an invoice may or may not have been raised.

Insured Event

The date on which the *policyholder* receives a notification in writing by HMRC of an enquiry or dispute.

Insurer

UK General Insurance Limited on behalf of Great Lakes Insurance SE. UK General Insurance Limited is an *insurer's* agent and in the matters of a claim act on behalf of the *insurer*.

Limit of Indemnity

The maximum amount payable by the *insurer* in respect of any one claim and in aggregate for all claims made during any *period of insurance* in respect of any one *policyholder*.

Notification Period

The 30 day period commencing on the first day following the expiry of the *period of insurance* during which a claim can be notified, provided the notification is in respect of an *insured event* that occurred during the *period of insurance*.

Period of Insurance

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

Policyholder, you, your

The company, firm, partnership, association, individual or any other entity named on the Policy Schedule. At the request of the *policyholder*, the benefit of the policy may be extended to any director or partner in a personal capacity, provided that the director or partner receives income of no more than £15,000 per annum from sources outside the *policyholder* including, but not limited to, taxable investment, employment, or rental income.

Professional Fees

Any fees, expenses and other disbursements reasonably *incurred* in respect of work undertaken on behalf of the *policyholder* by the *appointed consultant* in connection with any matter falling within the terms and conditions of this Policy and not exceeding the *limit of indemnity*.

Tax Avoidance Scheme

A mechanism that implements strategies involving artificial transactions and/or business structures that have little or no commercial effect other than producing a tax advantage, regardless of whether or not the scheme has been registered under the DOTAS rules. For the avoidance of doubt, this definition would not apply to a Limited Company found to be in breach of the PAYE and/or NIC Regulations or Part 2, Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).

Territorial Limits

Great Britain and Northern Ireland, excluding the Isle of Man and the Channel Islands.

Vantage Protect Ltd

Vantage Protect Ltd which manages claim settlements on behalf of the *insurer* and to whom any notification of claim must be made. Also an Insurance Intermediary who has been delegated the authority to bind cover by *Vantage Protect Ltd* and the *insurer*.

This policy will cover

Professional fees incurred by the *appointed consultant* in respect of:

Section 1. H M Revenue & Customs (HMRC) Enquiries and Disputes

- a) An enquiry by HMRC into the *policyholder's* corporation tax or income tax self-assessment return following the issue of formal notification by HMRC.
- b) Fees *incurred* in respect of any challenge in writing by HMRC of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance check or routine inspection undertaken by HMRC into the operation of PAYE.
- c) An enquiry conducted into the employment status of the *policyholder* under the PAYE and/or NIC Regulations or Part 2, Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).
- d) An enquiry by Special Civil Investigations Office under Code of Practice 8 provided that at the culmination of such enquiry it is proved that the *policyholder* was not found guilty of any fraud, fraudulent intent or serious irregularities.

Section 1. a), b) and d) include *professional fees incurred* in respect of preparation and representation of the *Policyholder* at a Tax Tribunal hearing and provided that the *insurer* has consented, an appeal against a decision following such a hearing. Section 1.c) includes *professional fees incurred* in respect of preparation and representation of the *policyholder* at a Tax Tribunal hearing but does not include *professional fees incurred* in respect of an appeal against a decision following such a hearing.

Section 2. Value Added Tax (VAT) Disputes

- a) A dispute following a compliance check or routine inspection undertaken by HMRC of the *policyholder's* VAT record-keeping.
- b) An enquiry held under Section 60 or 61 of the VAT Act 1994, Schedule 24 Finance act 2007 or Compliance checks under HMRC Notice 160 or any matters handled by the National Investigations Service of HMRC providing that at the culmination of such investigation it is proved that the *policyholder* was not found guilty of dishonesty, fraud or fraudulent intent.

Section 3. Judicial Review

At the *insurer's* discretion cover will be granted for *professional fees incurred* by the *appointed consultant* in respect of:

- a) An application for judicial review where there is no statutory right of appeal against a VAT and Duties Tribunal decision.
- b) An application for judicial review following a Tax Tribunal hearing.

This policy will not cover

Professional fees incurred by the *appointed consultant*:

1. Prior to acceptance of a claim by the *insurer*.
2. Where any circumstances of a claim are known of at the inception of this Policy about which the *policyholder* or *appointed consultant* knew or ought reasonably to have known was likely to give rise to a claim under this Policy.
3. Where an incident arises directly from an enquiry or dispute undertaken by HMRC prior to the commencement of this Policy unless in the case of a renewal of this Policy.
4. Relating to attendance at a compliance and/or control review or routine inspection undertaken by HMRC (PAYE/NIC and/or VAT).
5. Relating to the defence of any criminal prosecution.
6. Relating to any claim arising from an enquiry into a *policyholder's* tax return or an amendment to a *policyholder's* tax return or any other statutory return that was not submitted within the statutory time limits. In order for the statutory return to be

regarded as having been submitted within the statutory time limits, HMRC must have deemed this to be the case and the filing date must not allow HMRC the right to extend their enquiry window beyond the normal time limit of 12 months after the due filing date. Where an amendment to a *policyholder's* tax return or an amendment to any other statutory return is submitted within the 12 months after the due filing date and HMRC execute an enquiry into the return within that 12 months period then this exclusion will not apply.

7. Relating to any claim arising from an enquiry into a *policyholder's* tax affairs, if in the absence of a tax return HMRC has not been notified of chargeability to tax, within the statutory time limits.
8. Relating to any enquiry following the correction of a self-assessment return where the error requiring rectification was due to a deliberate act by the *policyholder* or *appointed consultant* or any other representative or where the *policyholder* refuses HMRC's reasonable request for rectification of the self-assessment return.
9. In respect of the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any *professional fees incurred* for the routine presentation of the *policyholder's* affairs, including the reconciliation of annual accounts with VAT returns.
10. In respect of any dispute arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002.
11. In respect of any claim made, brought or commenced outside the territorial limits.
12. In respect of any claim notified outside of the *period of insurance* or the *notification period*.
13. In respect of fees of Counsel, unless appointed by the *insurer*, to determine prospects of success.
14. Any taxes, interest, penalties and fines or any other duties, which may be imposed upon a *policyholder* or the *appointed consultant* will not be covered by this Policy.
15. In any claim where the *policyholder* has adopted a *tax avoidance scheme*.
16. Directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
17. In respect of any direct or indirect consequence of terrorism as defined by the Terrorism Act 2000 and any amending or substituting legislation;
18. In respect of any consequence, howsoever caused, including but not limited to *Computer Virus* in *Electronic Data* being lost, destroyed, distorted, altered, or otherwise corrupted.
19. Directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with:
 1. irradiation or contamination by nuclear material; or
 2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 3. any device or weapon employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.

Conditions of Cover - General

1. Due Observance

The *insurer* will only make payment under this Policy if the *policyholder* and the *appointed consultant* have complied with the terms and conditions of this Policy.

2. Cancellation

If *you* decide that for any reason, this Policy does not meet *your* insurance needs then please return it to *Vantage Protect Ltd* within 14 days from the day of purchase or the day on which *You* receive *Your* policy documentation, whichever is the later. On the condition that no claims have been made or are pending, *we* will then refund *your* premium in full.

Thereafter *you* may cancel the insurance cover at any time by informing *Vantage Protect Ltd* however no refund of premium will be payable.

We shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to *you* at *your* last known address. Valid reasons may include but are not limited to:

- a) Where *we* reasonably suspect fraud
- b) Non-payment of premium
- c) Threatening and abusive behaviour
- d) Non-compliance with policy terms and conditions
- e) *You* have not taken reasonable care to provide complete and accurate answers to the questions *we* ask.

If *We* cancel the policy and/or any additional covers *You* will receive a refund of any premiums *You* have paid for the cancelled cover, less a proportionate deduction for the time *We* have provided cover.

Where *Our* investigations provide evidence of fraud or misrepresentation, *We* may cancel the policy immediately and backdate the cancellation to the date of the fraud or the date when *You* provided *Your* administrator / *Your* agent with incomplete or inaccurate information. This may result in *Your* policy being cancelled from the date *You* originally took it out and *We* will be entitled to keep the premium.

If *Your* policy is cancelled because of fraud or misrepresentation, this may affect *Your* eligibility for insurance with *Us*, as well as other *insurers*, in the future.

3. Disputes

If there is a dispute between the *policyholder* and the *insurer*, both parties shall agree to the appointment of a suitably qualified arbitrator to decide the matter in accordance with the Arbitration Act 1996. If there is no agreement on an arbitrator, an appropriately qualified person shall be appointed by the President of the Chartered Institute of Arbitrators.

The arbitrator shall have the power to apportion costs. The *policyholder's* costs in preparation for and representation at meetings with the arbitrator shall not be recoverable under this Policy.

4. Insolvency of the policyholder

If the *policyholder* becomes insolvent during the course of any claim or legal proceedings to which the *insurer* has consented the *insurer* shall reserve the right to withdraw consent. The *policyholder* shall be deemed to be insolvent upon the appointment of an office holder within the meaning given by Section 233(1) or 372(1) of the Insolvency Act 1986.

5. Minimising Claims or Legal Proceedings

The *insurer* may restrict the amount claimed if the *policyholder* has not:

- a) Taken all reasonable steps to minimise the cost and effect of any enquiry or dispute involving HMRC.
- b) Observed the requirement of taxpayers to maintain records as required under the self-assessment regulations and, in the case of a corporate *policyholder*, maintain records and books of account in accordance with the Companies Act and for VAT, maintain records in accordance with Schedule 11 of the VAT Act 1994 and the Value Added Tax Regulations 1995.
- c) Given the *appointed consultant* full co-operation and information including a full and truthful account of their affairs and all relevant documentary or other evidence.

6. Offers of Settlement

Where the *policyholder* rejects an offer of settlement, which the *insurer* deems to be reasonable, the *insurer* reserves the right to remove or restrict any further payment of *professional fees*.

7. Capital Gains Valuations

Where a valuation is required as a result of an enquiry involving Capital Gains, the *insurer* reserves the right to limit fees relating to a qualified valuation specialist to no more than £250 where the tax return in question was submitted without a proper valuation being carried out by a suitably qualified person.

8. Prepared or Submitted

Where a *policyholder's* most recently submitted tax return was not prepared or submitted by the *appointed consultant* and the return has significant mis-statements or omissions, any claim as a result of an enquiry into that return may be restricted by *insurers* to an amount that would have been payable had there been no significant mis-statements or omissions.

9. 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.

Conditions of Cover - Claims Settlement

1. Insurer's Consent

Professional fees will only be covered under this Policy if incurred with the *insurer's* prior consent.

The *insurer* will give consent in writing or by telephone provided that there are reasonable grounds for representation of the *policyholder* and provided that the *insurer* is satisfied that there are reasonable prospects of the *policyholder* achieving a satisfactory outcome in the enquiry or dispute and that it is reasonable to incur *professional fees*.

Reasonable prospects of the *policyholder* achieving a satisfactory outcome exist if:

- a) On the balance of probabilities, the *policyholder* has a 51% or greater chance of successfully pursuing or defending a claim; and
- b) The benefits likely to be obtained by proceeding with the claim justify the likely costs.

The opinion of the *appointed consultant* will be taken into account in determining the prospects of achieving a satisfactory outcome. If the *insurer* is not satisfied that there are prospects of achieving a satisfactory outcome in the enquiry or dispute *insurer's* consent will not be given. If the *policyholder* proceeds without consent and is unsuccessful, *professional fees* will not be covered. If the *policyholder* proceeds and is successful then the *insurer* may indemnify the *Policyholder* as if consent had been given subject to the terms and conditions of this Policy.

The *insurer* will withdraw consent if facts become known which mean that a particular claim would not have been accepted under the terms and conditions of this Policy. If the *policyholder* or *appointed consultant* 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*.

2. Fraudulent claims

You must not act in a fraudulent way. If *you* or anyone acting for *you*:

- fails to reveal or hides a fact likely to influence whether *we* accept *your* proposal, *your* renewal, or any adjustment to *your* policy;
- fails to reveal or hides a fact likely to influence the cover *we* provide;
- makes a statement to us or anyone acting on our behalf, knowing the statement to be false;
- sends us or anyone acting on our behalf a document, knowing the document to be forged or false;
- makes a claim under the policy, knowing the claim to be false or fraudulent in any way; or
- makes a claim for any loss or damage *you* caused deliberately or with *your* knowledge.

If *your* claim is in any way dishonest or exaggerated, *we* will not pay any benefit under this policy or return any premium to *you* and *we* may cancel *your* policy immediately and backdate the cancellation to the date of the fraudulent claim. *We* may also take legal action against *you* and inform the appropriate authorities.

3. **Duty to Notify**

The *policyholder* or the *appointed consultant* must advise the *insurer* of any claim prior to incurring any *professional fees* and during the *period of insurance* or *notification period*.

4. **Initial Consent**

In the event of a likely claim:

- a) The *appointed consultant* or *policyholder* will complete a claim form and return it to the *insurer* together with any relevant information.
- b) The *insurer* may, following notification authorise fees up to £250 prior to receiving a completed claim form.
- c) When the full claim form is received the *insurer* will advise whether consent is given and the amount that has been authorised. The amount authorised must not be exceeded without first obtaining written consent from the *insurer*. If this amount is exceeded without consent any such additional amount may not be covered under this Policy.

5. **Information and Particulars**

The *insurer* will be entitled to obtain from the *appointed consultant* any information or particulars, whether privileged or not, relating to a claim. On request the *policyholder* will give the *appointed consultant* any instructions necessary to secure the required access.

6. **Payment of the Appointed Consultant's Invoices**

The *insurer* will pay the *appointed consultant's* invoices for *professional fees* up to the *limit of indemnity* only if satisfied that the charges are reasonable and have been properly *incurred*. Interim invoices will be paid provided the *policyholder* acknowledges that the *insurer* will be entitled to recover such payments if for any reason the cover is deemed void by the *insurer*.

7. **Recovery of Costs**

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

8. **Settlement by Insurer**

Where *professional fees* are likely to exceed the duties that are being claimed against the *policyholder*, the *insurer* may pay the *policyholder* a sum equivalent to the duties in lieu of *professional fees* or further *professional fees*.

9. **Maximum Hourly Charge Out Rates**

The *appointed consultant's* hourly charge out rates shall be limited to the respective amounts specified in the Policy Schedule.

10. **Value Added Tax**

The *insurer* will not be liable to pay any VAT charged by the *appointed consultant* to the *policyholder* where such VAT can be recovered from HMRC.

Making a Claim

Initial notification of a claim must be made in writing by first class post or facsimile or e-mail to:

Claims Department
 Vantage Protect Ltd
 Windsor House
 Troon Way Business Centre
 Humberstone Lane
 Thurmaston
 Leicestershire
 LE4 9HA

Telephone: 01455 852100

Email: claims@vantageprotect.com

All notices and communications from the *insurer* or their representatives to the *policyholder* shall be deemed to have been sent if posted to the *policyholder* or *appointed consultant* at the address stated in the Policy Schedule.

All notices and communications from the *policyholder* or the *appointed consultant* to the *insurer* shall be deemed to have been sent if posted to *Vantage Protect Ltd* at the above address. *Vantage Protect Ltd* act as representatives to the *insurer*.

Complaints

It is the intention to give *You* the best possible service but if *You* do have any questions or concerns about this insurance or the handling of a claim *You* should follow the Complaints Procedure below:

1. Complaints regarding the sale of the policy:

Please contact *Your* agent who arranged the Insurance on *Your* behalf.

2. Complaints regarding claims:

Please contact in the first instance:

The Nominated Complaints Handler
Vantage Protect Ltd
Windsor House
Troon Way Business Centre
Humberstone Lane
Thurmaston
Leicestershire
LE4 9HA

Tel: 01455 852050

Email: feedback@vantageprotect.com

If it is not possible to reach an agreement, *You* have the right to make an appeal to the Financial Ombudsman Service. This also applies if *You* are insured in a business capacity and have an annual turnover of less than €2 million and fewer than ten staff. *You* may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Tel: 0300 123 9 123 or 0800 023 4 567

Email: complaint.info@financial-ombudsman.org.uk

Website: <http://www.financial-ombudsman.org.uk/>

The above complaints procedure is in addition to *Your* statutory rights as a consumer. For further information about *Your* statutory rights contact *Your* local authority Trading Standards Service or Citizens Advice Bureau.

If *You* have purchased the insurance policy online, *You* may also raise *Your* complaint via the EU Online Dispute Resolution Portal at <http://ec.europa.eu/consumers/odr/>. This will forward *Your* complaint to the correct Alternative Dispute Resolution scheme. For insurance complaints in the UK this is the Financial Ombudsman Service. However, this may be a slower route for handling *Your* complaint than if *You* contact the Financial Ombudsman Service directly.

Compensation Scheme

Great Lakes Insurance SE is covered by the Financial Services Compensation Scheme (FSCS). *You* may be entitled to compensation from the scheme if Great Lakes Insurance SE cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. *You* can get more information about compensation scheme arrangements from the FSCS by visiting www.fscs.org.uk or call *Us* on 0800 678 1100 or 020 7741 4100.

UK GENERAL INSURANCE LTD PRIVACY NOTICE

We are UK General Insurance Ltd, referred to as "*we/us/our*" in this notice. *Our* data controller registration number issued by the Information Commissioner's Officer is Z7739575

This privacy notice is relevant to anyone who uses *our* services, including *policyholders*, prospective *policyholders*, and any other individuals insured under a policy. We refer to these individuals as "*you/your*" in this notice.

We are dedicated to being transparent about what *we* do with the information that *we* collect about *you*. We process *your* personal data in accordance with the relevant data protection legislation.

Why do we process your data?

The provision of *your* personal data is necessary for *us* to administer *your* insurance policy and meet *our* contractual requirements under the policy. *You* do not have to provide *us* with *your* personal data, but *we* may not be able to proceed appropriately or handle any claims if *you* decide not to do so.

What information do we collect about you?

Where *you* have purchased an insurance policy through one of *our* agents, *you* will be aware of the information that *you* gave to them when taking out the insurance. The agent will pass *your* information to *us* so that *we* can administer *your* insurance policy.

For specific types of insurance policies, for example when offering *you* a travel insurance policy, *we* may process some special categories of *your* personal data, such as information about *your* health.

We have a legitimate interest to collect this data as *we* are required to use this information as part of *your* insurance quotation or insurance policy with *us*. *We* may also process the data where it is necessary for a legal obligation, or as part of the establishment or defence of a legal claim.

UK General's full privacy notice

This notice explains the most important aspects of how *we* use *your* data. *You* can get more information about this by viewing *our* full privacy notice online at <http://ukgeneral.com/privacy-notice> or request a copy by emailing *us* at dataprotection@ukgeneral.co.uk. Alternatively, *you* can write to *us* at: Data Protection, UK General Insurance Ltd, Cast House, Old Mill Business Park, Gibraltar Island Road, Leeds, LS10 1RJ.