

Step-in product

Rates & Limits

The "STEP-IN" tax risk insurance product is available via selected broker policy administration systems only.

Commercial Lines (incl Trusts & Sole Props)

Standard (R100)

- Companies with annual turnover less than R 20 million.

- Indemnity limit:
R110 000 per annum,
limited to R 67 500 per
claim.

Executive (R270)

- Companies with annual turnover less than R 50 million.

- Indemnity limit:
R300 000 per annum,
limited to R150 500 per claim.

Personal Lines (excl Trusts & Sole Props)

Standard (R43)

- Individuals with taxable incomes less than R1 million

- Indemnity limit:
R50 000 per annum, limited
to R25 000 per claim

Executive (R99)

- Individuals with taxable incomes less than R3 million

- Indemnity limit:
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.



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Tax Risk Underwriting Managers (Pty) Ltd is an authorised Financial Services Provider. Persons providing product endorsements in this brochure are not paid for such endorsements.

Why tax risk insurance?

The South African Revenue Services (SARS) have been raising the standard when it comes to tax collection. The financial downtrend, combined with a systematic increase in government spending has resulted in a rather large shortfall, and SARS is driving hard to collect additional revenue. In doing so, they have become far more efficient. Linked to this trend is the fact that SARS have been given additional legislative powers to achieve tax collection objectives. SARS have established themselves as one of the world's leaders in revenue collection.

The South Africa Government has introduced new legislation, the Tax Administration Act of 2012, which has given SARS draconian powers with potentially serious consequences for taxpayers. Unfortunately it's not only the few tax offenders who wilfully underpay their taxes who are being targeted by SARS, but also the thousands of decent, law abiding taxpayers. Even if you believe, like most people, that your taxes are up to date and accurate, SARS can still select you for audit. It is with this in mind that a tax risk insurance product has been created to protect you, the taxpayer, against the risks associated with tax audits from SARS. Tax risk insurance will appoint and pay for a team of top tax professionals if you or your business is selected for audit, giving you the peace of mind of having some of South Africa's leading tax experts on your side when you need it most.

For more information please visit www.taxrisk.co.za
or contact our office on: 0861 473 738
Email info@taxrisk.co.za


TAX RISK INSURANCE



"It's like having top tax attorneys and accountants on retainer, but at a fraction of the price."

Dr Daniel Erasmus
SA and International
Tax Authority

taxrisk
underwriting
managers



As the South African government gears up to increase tax revenues, SARS has responded with more tax audits.

WHAT IS TAX RISK INSURANCE?

Tax risk insurance is simply the most effective protection for you and your business if you are ever selected for an audit by SARS. When you are covered by a tax risk insurance policy, your tax audit problem becomes ours, immediately. Critically for you, the cost of employing top tax specialists to defend your case are covered by us from the word go!

WHY ARE TAXPAYERS AT RISK?

Tax audits are part of the SARS mandate, to ensure compliance and to maximise tax collections. SARS reported that it exceeded its audit coverage targets last year, conducting more than 2 million tax audits. This is the unnerving reality – SARS are now auditing more taxpayers more often – and statistically, you could be next!

SO HOW DO I GET SELECTED FOR AUDIT?

Even if you believe, like most people, that your taxes are up to date and accurate, SARS can still select you for an audit. Some audits are completely random. In other cases, SARS may put a case forward that you've underpaid your taxes, or a human error may have been discovered. The reality is that even if you employ the best accountants in the world, you may still get selected for audit. The fact is, any SARS audit is ALWAYS best handled by qualified experts in their field. This is most definitely not time for DIY!

Tax Risk Underwriting Managers gives you the cover that you need if you are the business or individual being audited by SARS.

WHAT AM I COVERED FOR?

If you are selected for a SARS tax audit, we will appoint and pay for the team of tax professionals who will defend you. This may include Accountants, Tax Attorneys, Auditors, Tax Specialists and other Tax Advisors as may be required to ensure a fair audit outcome. If you already have an accountant, he/she will become a central part of the team.

We will provide cover in the following matters:

- Income tax audits
- VAT
- Employees tax audits
- Capital gains tax audits
- Dispute resolution hearings and appeals to the Tax Board and the Tax Court

HOW MUCH DOES IT COST?

Considering the risk you are facing, not a lot! For the cost of less than an average business lunch a month, tax risk insurance will effectively deal with your tax audit problems. Premiums are dependent on your annual taxable income for personal taxpayers, or annual turnover for companies. You will find our premium rates listed on the Insurance Application form, or ask your financial advisor.

The experts all agree: “South African taxpayers are financially exposed to the risk of a SARS tax audit.”

WHAT ARE THE LIMITS OF MY COVER?

There are some exclusions under the policy, which include:

- audits and disputes which have commenced prior to the inception of the policy;
- matters where fraud or crime is involved;
- audits as a result of the late submission of tax returns without an extension;
- the costs related to the preparation of normal tax returns, and the supply of routine supporting information;
- matters relating to income generated outside of South Africa;
- matters relating to customs and excise, and exchange control legislation;
- where no proper accounting records were kept;
- any taxes, interest, penalties or fines imposed by SARS.

The indemnity limits are dependent on your taxable income or annual turnover. The limits are listed on the Insurance Application form, or you may ask your financial advisor. This brochure is a factual summary of some of the most important aspects of the Tax Risk Underwriting Managers insurance policy. For more information, please ask your financial advisor, or consult your Policy Wording.