

TAX ENQUIRY INSURANCE

PROTECT YOURSELF AND YOUR BUSINESS AGAINST THE COST OF A TAX ENQUIRY

Under self-assessment, HMRC has the power to open an enquiry into any tax return or set of business accounts. No reasons have to be given for opening enquiries and many thousands are started every year at random. The likelihood of an enquiry is greater than ever before.

On top of those risks, are the risks from VAT disputes and PAYE disputes including employment status and IR35.

Even if you are completely exonerated, the fees to defend such enquiries can be substantial. The importance of considering insurance against this eventuality has never been as high as it is today.

In conjunction with Qdos Taxwise we offer a Tax Enquiry Insurance Scheme; participating clients have cover for up to £75,000 in the event of an HMRC enquiry or dispute – this includes Full & Aspect HMRC enquiries, VAT disputes, PAYE disputes, employment status disputes and IR35 disputes. Also as an additional benefit the policy includes unlimited telephone access to Qdos consultants on any matter relating to employment and health & safety law.

By researching the market and attaining volume discounts on premiums we are able to provide a low cost insurance product that we strongly recommend you take advantage of.

The scheme runs from 1st December annually for a 12 month period, premiums below. The premium for this period is set out below. To take the insurance up please complete the application form (appended or at www.garbetts.com/download/teiform.pdf) Please note we must receive your payment before for cover to ensure you are included in the scheme. Should you decide not to take advantage of this service, you will be fully liable for all professional fees incurred in defence of the enquiry.

We hold a specimen Policy Document which is available upon request. If you have any further questions relating to this scheme, please do not hesitate to contact your normal day to day contact at Garbetts.

Premiums

£40	Private clients (turnover / gross business income limit £15k)
£100	Sole traders / partnerships (turnover limit £500k – includes partners personal affairs unless non business income exceeds £15k)
£135	Limited companies /(including PSCs & Contractors) (turnover limit £2m – includes directors personal affairs unless non business income exceeds £15k)

All premiums are inclusive of Insurance Premium Tax.

If you are joining after 1 December then these premiums are pro rated as follows:

Join before 28 February	100%
Join before 31 May	75%
Join before 31 August	50%
Join before 30 November	25%

You should note that in providing this insurance we are acting as a general insurance intermediary. We are licensed to undertake these activities by the Association of Chartered Certified Accountants. We have enclosed a copy of a Demands and Needs Statement including the Terms of Engagement.

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GARBETTS
TAX ENQUIRY INSURANCE FOR GARBETTS CLIENTS
APPLICATION FORM

8162d



Your name

Your business/company/trading name

Garbetts file reference for you

I do / do not want to take up your Tax Enquiry insurance package (please delete as applicable) Yes, I'm taking it up

If you want to take up the insurance, please complete part A, sign the form and return to us with your remittance

If you do not want to take the cover up, please complete part B, sign the form and return to us No, I'm not taking it up

PART A - APPLICATION FOR COVER

Date cover is to start from
 (1 December 2008, or date of completing this form, which ever is the later)

Premium as per price list below
 (annual premium x pro rata % if joining mid year)

Tick as applicable

Private clients (individual taxpayers with annual income of less than £15,000) £40

Sole traders and partnerships with annual income (vat exclusive) of less than £500k £100

Limited companies with annual income (vat Exclusive) of less than £2m (including contractors / PSCs) £135

All premiums are inclusive of Insurance Premium Tax.

If you are joining after 1 December then these premiums are pro rated as follows

Join before 28 February 2009 100%

Join before 31 May 2009 75%

Join before 31 August 2009 50%

Join before 30 November 2009 25%

We must receive your payment before your cover commences.

Regrettably payment cannot be added on to regular standing orders to Garbetts.

Declaration - please delete as applicable

I/We agree that Garbetts shall be the Appointed Representative for the purpose of the policy.
 I am/We are not currently undergoing a VAT or PAYE inspection.
 I am/We are not currently involved in a dispute with the Revenue Authorities.
 I/We agree that the statements made by me or on my behalf are true and complete to the best of my knowledge and I agree that this proposal shall be the basis of the contract between the underwriters and myself.
 I/We agree to accept a policy in the underwriter's usual form for this class of insurance.
 I/We understand that if my most recently submitted tax return was not prepared or submitted by Garbetts and the return has significant misstatements or omissions any claim as a result of an enquiry into that return may be restricted by insurers.
 NB. If you are unable to comply with the statements made above, please cross through the statement and attach full details. Your declaration will be considered by underwriters. You will then be contacted regarding conditions of acceptance. Please note that once this insurance is in place insurers will be entitled to obtain from the Appointed Representative any information or particulars, whether privileged or not, relating to a claim.

Remittance details Cheque enclosed (payable to Garbetts Ltd) Tick

Please debit my card (£2 flat fee applies).

Card number Security code
 (last three digits on reverse of card)

Expiry date Start date

Issue number (switch cards)

Signature _____ Date _____

Please return this form by fax (01983 404016) or post to Garbetts - As a signature is required, an e-mail response is not acceptable.

PART B - OPT OUT

If you do not require this cover, can you please sign below:

We wish to be excluded from the Garbetts Tax Enquiry Insurance Practice Scheme. I/We understand that in the event of an enquiry by the Revenue Authorities, I/we will be fully liable for all accountancy costs incurred.

Name _____

Signature _____ Date _____

IMPORTANT - PLEASE COMPLETE AND RETURN THIS FORM TO US EVEN IF YOU DO NOT WISH TO BE COVERED - THANK YOU

Garbetts - 2-6 New Road, Brading, Sandown, Isle of Wight, PO36 0DT
 This application should be read in conjunction with the information document on the scheme, which sets out its details and basis of regulation.

Key Facts About Our Insurance Service

This document contains important information about our regulatory responsibilities under the supervision of the Association of Chartered Certified Accountants.

1. About Our Company

Garbetts is a trading name of Garbetts Limited, company number 2988424.

Garbetts is not authorised by the Financial Services Authority. However, we are included on the register maintained by the Financial Services Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Association of Chartered Certified Accountants. The register can be accessed via the Financial Services Authority website at www.fsa.gov.uk/register.

2. Our Services

We only offer the products of Qdos Taxwise Ltd who are authorised and regulated by the Financial Services Authority. The insurer in respect of these products is Irwell Insurance Company Ltd. We will provide you with information on these products you must then decide whether they meet your needs. We are not contractually obliged to only offer the products of Qdos Taxwise Ltd.

3. Client Monies

Client money is any money that we receive and hold in the course of carrying out business with you. We will hold money received from you, or claims money paid to us from insurers, in a separate bank account. We will only pay money due from a customer to Qdos Taxwise Ltd when it has been received from the customer. In the event of a claim Qdos will make claim payments directly to us, this payment will be set against your liability to professional fees incurred by us dealing with an insured event. Qdos hold client money as an agent to the insurer and risk transfer applies to the premium or monies, therefore the insurer will regard premium received by Qdos as having been received by themselves.

4. Cover Information and Policy Documentation

We will provide sufficient information to allow you to make an informed decision before concluding a contract of insurance. This may include details of the type of cover and its significant features and benefits, along with any significant or unusual exclusions or limitations to the policy.

5. Renewal of Your Insurance

We will contact you with renewal terms at least 21 days prior to the renewal of your policy. We will advise you of any proposed changes to the terms of the policy and its price.

6. Premium

We will provide a statement of the premium due along with details of any taxes and where applicable any fees that are due.

7. Cancellation

If you cancel your policy within the first 14 days of cover, or within 14 days of you receiving confirmation that cover is in place and details of the cover, whichever is the latest, we will provide you with a full refund of premium and your policy will be cancelled from inception. If you cancel after the first 14 days of cover, your policy will be cancelled from the date we receive your instructions (which should be sent to the address in point 1 of this document) and we will refund a proportionate part of the premium corresponding to the un-expired period of insurance. If a claim has been made against the policy then any costs paid to you in respect of the claim will be deducted from the amount of premium rebate due.

8. Complaints

If you have a complaint about our services you should in the first instance register the complaint, to your normal contact, by telephone, post or facsimile at the contact details provided in point 1 'About our Company' of this document.

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response. We will send you a final response or a holding letter within one week of receiving your complaint. Our final response will state whether we accept or reject the complaint, if we reject the complaint we will provide full reasons for doing so. You should be aware that you won't have access to any compensation scheme in respect of our services.

9. Money Laundering

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of financial crime. To help us achieve this we may ask you to provide us with additional information relating to any insurance transactions you ask us to undertake on your behalf.

10. Confidentiality

We will treat any personal data or other information we receive from you as confidential. We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with any personal data you provide us with.

Unless you advise us otherwise, we shall assume that we have your permission to disclose your personal information where necessary for the purposes of arranging your insurances. We may inform you of other services or products which could be of interest to you.

11. Claims

In the event of a claim you should notify us immediately by telephone, post or facsimile at the contact details provided in point 1 'About our Company' of this document. In the event of a claim you may be required to provide a copy of the relevant correspondence from the HMRC.

12. Governing Laws

The relationship between us as an insurance intermediary and you as a customer are governed by English Law. If there is a dispute which cannot be resolved under our complaints procedures it will be dealt with in the courts of England and Wales.

13. Duty of Disclosure

It is your responsibility to disclose all material information that is known to you and which might influence the judgement of insurers in determining the scope of cover, the price or whether or not to accept the risk. This applies even if you complete a Proposal Form.

14. Terms of business

The contents of this document relate solely to the Insurances offered via Qdos Taxwise. They do not override or otherwise change our general terms of business.

Demands and Needs

It is important that before deciding to purchase a Qdos product you consider whether the insurance is appropriate for you. You should read thoroughly all product marketing literature before deciding to purchase, as well as where available, the Policy Summary or full Policy Wording. We are only providing information on a single insurance undertaking. You must decide whether the insurance is appropriate for you.

Qdos Tax Enquiry Insurance may not be appropriate for you if you cannot answer yes to one of the following questions:

Q1 Is there a current requirement or do you expect there to be a future requirement, during the policy period, for you to submit a H M Revenue & Customs (HMRC) self-assessment tax return?

Q2 If you are in business do you operate a PAYE scheme or will you operate a PAYE scheme during the policy period?

Q3 If you are in business is there a current requirement or do you expect there to be a future requirement, during the policy period, for you to be VAT registered?

Q4 Do you provide services to clients through your own personal service company or a partnership of which you are a partner? If yes, is there the potential for you to be the subject of an IR35 status enquiry?

Any claim made under a Qdos Tax Enquiry Insurance policy may be restricted or excluded if:

- You were aware of an incident that could cause the claim when your cover began or the claim is caused directly by an enquiry, investigation or dispute undertaken prior to your cover beginning.
- The claim is in respect of a criminal prosecution.
- You have not submitted your tax return, an amendment to your tax return or any other statutory return within the statutory time limits.
- In the absence of a tax return you have not notified HMRC of the chargeability to tax within the statutory time limits.
- A correction is required to your self-assessment return due to you or your accountant's deliberate act.
- You have refused HMRC's reasonable request for rectification of your self-assessment return.
- The claim is in respect of fees incurred preparing or amending your self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns.
- You have not observed the requirement of taxpayers to maintain records as required under the self-assessment regulations, or in the case of an incorporated company, 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.
- You have adopted a tax avoidance scheme, which Qdos has not approved prior to its adoption
- You have not made a reconciliation of VAT returns to annual accounts prior to a VAT dispute with HMRC.
- The accountant administering this scheme has not prepared or submitted your latest submitted tax return and it contains serious errors or omissions.
- 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.

This document summarises the main exclusions and conditions but the list is not exhaustive. Where you have not already been provided with a full copy of the policy wording, a copy is available on request.