

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 provides the cover you or your business needs, if 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.

For more information, please ask your financial advisor, or consult your Policy Wording.

"More than 2 million
taxpayers audited"

"THE COST OF TAX
AUDITS -WHO IS PAYING?"

SARS says: "Pay now,
argue later!"

"SARS GETS TOUGH"

"TAX ADMINISTRATION ACT GIVES
SARS MUCH WIDER POWERS"

**GET THE PEACE OF MIND WITH
TAX RISK INSURANCE**

what happens if you are selected for audit by **SARS...?**

If you are selected for a tax audit, or if you received an unfair assessment from SARS which requires you to pay additional taxes, tax risk insurance will appoint and pay for the team of tax experts who will deal with your matter, at no additional cost to you.

Benefits

- removes the uncertainty of an unexpected SARS tax audit and dispute
- provides access to some of SA's best tax specialists, at no extra cost
- cover includes the cost of your accountant
- ensures fair tax treatment and audit outcomes
- affordable monthly premium
- provides complete peace of mind

Cover is available for business and individual taxpayers.

For more information please contact us:

info@taxrisk.co.za

0861 473 738

www.taxrisk.co.za

TAX RISK INSURANCE

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

Dr Daniel Erasmus
SA and International Tax Authority

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