

### Who provides the insurance cover?

Insurance cover is provided by Taxwise Services Ltd, one of the top companies in this field. Taxwise have many years experience of providing insurance to cover professional fees arising from HMRC enquiries. Taxwise Services Limited is authorised and regulated by the Financial Services Authority (FSA reference number 304970). The policy is underwritten by Inwell Insurance Co Ltd (FSA reference number 202897).



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## Fee Protection Insurance

## TAXWISE FEE PROTECTION INSURANCE

### What powers do HM Revenue & Customs now have?

As of April 2009 HMRC are able to visit business premises to inspect records covering all taxes including corporate, income, PAYE, NI, Capital Gains and VAT. They can now also issue written queries before you have even submitted your annual tax returns.

### Can anyone's tax affairs be scrutinised by HMRC?

Anyone that pays tax can come under scrutiny. Every year, HMRC starts enquiries into thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked. The aim in every case is to collect more tax.

### I've done nothing wrong, why should I worry about a tax enquiry?

Most enquiries are generated by computer "risk profiling" and many are selected completely at random. As a result, HMRC sometimes picks the wrong targets. Even if you have done nothing wrong, the taxman will not give up and will still try hard to find errors.

### How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These costs are not covered by the normal annual fees paid to your accountant.

### Is there anything I can do for peace of mind?

You can subscribe to the Taxwise Fee Protection Insurance Scheme which will cover you for the work and costs of defending you in the event of a tax enquiry by HMRC.

### What is the Fee Protection Insurance Scheme?

It is a scheme set up by your accountant to protect clients from HMRC queries. For a small annual premium, you can purchase a fee protection Policy and obtain the benefits described opposite. Under the policy, your accountants' professional costs incurred defending you in the event of a tax enquiry or dispute will be covered.

### What are the main benefits of the policy?

- Your accountant will defend you should you receive any correspondence or visit from HMRC
- The potentially high costs of professional fees for that defence will be claimed under your insurance policy
- It will not be necessary to accept unreasonable tax charges by HMRC due to concerns about professional fees

### What is covered by the Policy?

You will be fully protected under an insurance policy which provides cover for up to £75,000 of professional costs in the following circumstances:

- Dealing with any correspondence from HMRC
- Attendance at any meeting with HMRC
- Appeal to the First-tier Tribunal or Upper Tribunal

### What is not covered?

Some costs will not be covered under the Scheme, including the following:

- Routine compliance work, e.g. preparing your tax return
- Overseeing HMRC whilst they review your records
- Outstanding taxes, penalties, interest or any other amounts due to HMRC
- Defence of criminal prosecution cases or serious fraud enquiries
- Fees relating to pre-existing tax enquiries

### What will it cost to join?

Your accountant will provide details separately of the annual premiums that are payable by different categories of clients. If that information is not enclosed with this leaflet, please ask your accountant what the annual costs would be for you.

### How do I join or obtain more information?

To obtain cover under the Scheme, a cheque for the amount due should be sent to your accountant, unless otherwise stated.

If you need any more information, please call your accountant and ask about the Fee Protection Insurance Scheme.