

Temple Tax Advantage

Professional Expenses Insurance for Tax Enquiries, PAYE and VAT Disputes

POLICY OF INSURANCE

THE BASIS OF THIS CONTRACT

In return for payment of the insurance premium the Insurers' will indemnify the Insured on the terms contained in this policy. The Insurer has rated this insurance and provided cover based on the information contained in any proposal form or any other information which the Insured, or anyone acting on their behalf, has provided. In witness whereof this policy has been signed for and on behalf of the Insurer.

Dated :

Temple Legal Protection Limited (Temple).

THE THINGS THAT YOU ARE COVERED FOR (only sections shown on the Schedule as Insured will be operative).

The Insurer agrees to indemnify the Insured for Professional Expenses up to the Limit of Indemnity that are incurred by the Insured in dealing with correspondence, representation in meetings and negotiations where the enquiry or dispute that may be covered as below was notified to the Insured during the Period of Insurance and is notified to the Insurers during the Period of Insurance and where the enquiry or dispute is handled within the Territorial Limits, in connection with;

1. Inland Revenue Full Enquiries;

cover extends to include representation at an appeal or tribunal hearing before the General or Special Commissioners of the Inland Revenue.

2. Employer PAYE Disputes;

cover extends to include representation at an appeal or tribunal hearing before the General or Special Commissioners of the Inland Revenue.

3. VAT Disputes;

an appeal against a written decision or assessment issued by H M Customs & Excise including the local review procedure to negotiate an agreement and at a VAT tribunal or any appeal following a VAT tribunal decision.

4. Inland Revenue Aspect Enquiries;

cover will apply only where there are more than three aspects of the return under enquiry. Cover extends to include representation at an appeal or tribunal hearing before the General or Special Commissioners of the Inland Revenue.

5. IR35 Disputes;

a dispute or enquiry conducted by the Inland Revenue under IR35 legislation where there is a notice issued under Section 24(1) of Schedule 18 of the Finance Act 1998 or following an Inland Revenue compliance visit.

6. Employment Disputes;

the Professional Expenses incurred in defending any proceedings brought before an Employment Tribunal in respect of any dispute with a prospective Employee, current Employee or ex-Employee or Worker which arises out of or relates to the Insured's contract of employment or a breach of employment legislation.

Provided that the Insured has sought advice from the Employment Helpline, prior to taking any action, as to any procedure to be adopted and the Insurer is satisfied that the Insured has acted fully and properly with due diligence on the advice given. (any telephone conversations may be monitored and recorded).

Employment Helpline advice number:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

POLICY SCHEDULE

Policy Wording: TTA /04/IGI/102006

Insured: xxx Private and xxx Business Clients declared by the Professional Representative

Professional Representative: to be appointed by Temple Legal Protection Ltd.

Period of Insurance: 12 months from dd.mm.yyyy

Limit of Indemnity: £50,000 any one claim and in the aggregate per Insured

Premium: £xxxx **Insurance Premium Tax:**£xxxx

Total Payable £xxxx

Insuring Clause	Insured / Not insured	Excess/Co-insurance
1 Inland Revenue Full Enquiries	Insured	£250
2 Employer PAYE Disputes	Insured	£250
3 VAT Disputes	Insured	£250
4 Inland Revenue Aspect Enquiries	Not Insured	
5 IR35 Disputes	Not Insured	
6 Employment Disputes	Not Insured	

DEFINITIONS

Aspect Enquiries

The examination which takes place when an officer of the Board of the Inland Revenue indicates that an enquiry into an aspect or aspects of the Insured's income or corporation tax return is to take place and issues a notice under Section 9A or Section 12AC of the Taxes Management Act 1970, or as amended, or under Section 24(1) Schedule 18 Finance Act 1998, or as amended.

Business Client

A limited company, partnership or sole trader that has an annual requirement to prepare financial statements that reflect their trading activities during the period. If the Company is part of a group structure, each individual company must be insured separately. Any dormant companies that are part of a group will automatically be covered only if all other trading companies are paid for and properly declared.

Claim

A request for payment of Professional Expenses that may be payable under the term of this policy. Any Claims arising out of the same original cause, event or circumstance shall be regarded as one Claim.

Employee

A person who has a written contract of employment or who is under an apprenticeship or written contract of service with the Insured or a person who is undergoing training under any approved training scheme and is under the Insured's control or an ex employee or a prospective employee.

Employer PAYE Disputes

The enquiries which arise from an expression of dissatisfaction with the Insured's PAYE and/or NIC affairs which follow an Employer Compliance visit by the Inland Revenue.

Excess

The amount specified in the Schedule that shall be borne by the Insured in respect of each claim at their own risk. The Insurer shall only be liable over and above this amount.

Inland Revenue Full Enquiry

The examination which takes place when an officer of the Board of the Inland Revenue indicates that a full enquiry of the Insured's income or corporation tax return is to take place and issues a notice under Section 9A or Section 12AC of the Taxes Management Act 1970, or as amended, or under Section 24(1) Schedule 18 Finance Act 1998, or as amended.

Insured

The company, firm, partnership, association or individual named in the Schedule or declared by the Coverholder for inclusion in the policy.

Insurer

Temple Legal Protection Limited are a specialist insurer with authority to underwrite and manage this insurance on behalf of IGI Insurance Company Limited

Limit of Indemnity

The limit referred to in the Schedule, which shall be the Insurer's maximum aggregate liability per Insured for all Claims made during the Period of Insurance.

Private Client

Private Clients are defined as those who have employed earnings or unearned investment income and are required to submit a return on an annual basis but do not have a significant business interest.

Professional Expenses

Any fees, expenses and other disbursements reasonably incurred by the Professional Representative with insurer's prior written consent in connection with any matter falling within the Insuring Clauses stated on the Schedule.

Professional Representative

An accountant or other appropriately qualified person or firm who acts for the Insured in accordance with the terms of this policy, and who has been agreed by the Insurer. The Professional Representative arranges and manages this insurance on the Insured's behalf.

Protective Enquiry

An enquiry where the Inland Revenue issues a notice under Section 9A or Section 12AC of the Taxes Management Act 1970, or as amended, or under Section 24(1) Schedule 18 Finance Act 1998, or as amended, but raise no queries. An enquiry will cease to be a Protective Enquiry when the Inland Revenue makes a request for information, explanation or documentation.

Territorial Limits

United Kingdom but excluding the Isle of Man and the Channel Islands.

Worker

As defined in section 230 (3) Employment Rights Act 1996 and as amended.

EXCLUSIONS

The Insurer shall not be liable to provide any indemnity in respect of: -

1. Professional Expenses incurred prior to the written acceptance of a claim by the Insurer.
2. any claim or circumstance which was known of at the inception of this Policy or at the time an Insured was declared for inclusion under this Policy which the Insured or the Professional Representative knew or ought reasonably to have known was likely to give rise to a claim under this Policy.
3. any taxes, interest, penalties and fines or any other duties which may be imposed upon the Insured or the Professional Representative by any Inland Revenue authority, Tribunal or Court.
4. Professional Expenses incurred in respect of an enquiry held under Section 60 of the VAT Act 1994 or any matters handled by the Investigations Division of HM Customs and Excise, the Inland Revenue Board's Investigation Office, the Special Investigation Section or the Special Compliance Offices of the Inland Revenue, or any claim relating in any way to the defence of any criminal prosecution.

5. any claim where corporation tax return, income tax return or VAT return is not submitted in accordance with statutory time limits. This shall not apply if the relevant authority has given written agreement that they accept there was a reasonable excuse for the delay.
6. any claim where the Insured submits a return to the Inland Revenue which contains provisional or estimated figures or any investigation following the correction of a return or where the Insured refuses the Inland Revenue's reasonable request for rectification of the return or where the Insured makes a voluntary disclosure to the Inland Revenue.
7. any costs incurred in respect of a Protective Enquiry.
8. the rectification or preparation of Self Assessment Returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any Professional Expenses incurred for the routine presentation of the Insured's affairs or for any matter which goes beyond the immediate scope of the insuring clause under this policy.
9. any claim in respect of IR35 disputes where there is no written contract or in circumstances where there is a written contract, the Insurer is not satisfied that the actual working practices are not in accordance with the contract terms.
10. any claim in respect of an enquiry or investigation connected with or in respect of the Tax Credits Act 1999 or the National Minimum Wage Act 1998.
11. claim or legal proceedings arising out of any misstatement or misrepresentation or any deliberate, conscious or intentional disregard by the Insured to act properly or any claim where the Insured has failed to take all reasonable steps to avoid and prevent any such claim or any claim where the Insured has not acted with due diligence and for employment matters has not acted fully and properly on the advice of the Employment Helpline.
12. any claim where there is any negligence on the part of the Professional Representative or any previous representative.
13. any Awards of Compensation made against the Insured by an Employment Tribunal or settlement thereof or Additional, Special or Protective Awards, Interim Relief, arrears of pay or award of damages awarded under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement.
14. any proportion, in the Insurer's opinion, of Professional Expenses incurred to deal with and correct entries, within the returns or accounts under enquiry, which have been misrepresented or inaccurately treated when the return or accounts were originally submitted to the Inland Revenue or HM Customs and Excise.
15. any disputes or enquiries for a tax year where the returns were not completed and filed by the Professional Representative named on the Schedule.

CLAIMS SETTLEMENT CONDITIONS

1. Insurer Consent

This policy will only cover Professional Expenses incurred after the Insurer has provided written consent. The Insurer must be satisfied that the Insured has acted properly and has maintained adequate books and records. These must be accurate, truthful and up to date. The Insurer must also be satisfied that there are reasonable prospects of the Insured achieving a satisfactory outcome in any Claim within an insured section of cover. In any employment dispute the Insurer must be satisfied that the Insured is always more likely than not, to succeed fully in their defence at a tribunal hearing. Insurers must also be satisfied that it is reasonable in all the circumstances to incur or to continue to incur Professional Expenses.

If consent is given the Professional Representative will be advised of the amount of Professional Expenses, to which the Insurer has consented. If this amount is exceeded without the Insurer's prior written consent any such additional amount will not be covered under this insurance.

If the Insured proceeds with a claim, which the Insurer has declined due to insufficient prospects but subsequently is successful, then the Insurer may indemnify the Insured retrospectively subject to the terms and conditions of this policy.

Notwithstanding that consent may have been given, such consent shall be withdrawn and indemnity denied in the event of facts becoming known which would mean that a particular claim would not have been accepted under the terms and conditions of this policy.

If the Insured or the Professional Representative on the Insured's behalf makes a fraudulent or false claim or request for payment, this policy shall become void, any premiums shall be forfeited and any indemnity paid shall be recoverable by the Insurer.

2. Claims Procedure

The Insured or the Professional Representative must notify the Insurer, as soon as they become aware of any matter which the Insured believes to be covered under this policy. Failure to notify a claim during the Period of Insurance will lead to the claim being rejected.

The Insurer will send the Insured or the Professional Representative a claim form, which must be completed and returned together with any other material information. After consideration of this submission the Insurer will advise whether their consent is given and if so the amount consented to.

The Professional Representative and the Insured must provide the Insurer with any information, documentation and co-operation, which they require whether or not it is privileged. The Insured will give the Professional Representative such instructions, as are necessary to achieve this. The Insured must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.

The Insured's representation at all meetings shall be limited to one person from the Professional Representative's office unless the Insurer has given prior written consent, which will not be unreasonably withheld.

The Insured must inform the Insurer in writing as soon as an offer to settle an enquiry or dispute is received. In any settlement the Insured must have regard to Professional Expenses incurred or likely to continue to be incurred and the recovery thereof. In circumstances that may prejudice the Insurer, the Insured must not enter into any agreement to settle without the Insurer's prior written consent, which will not be unreasonably withheld. If the Insured rejects an offer of settlement to which the insurer deems to be fair and reasonable, no further indemnity will be provided.

The Insurer will pay the Professional Representative's bills up to the Limit of Indemnity for Professional Expenses direct if they are satisfied that the charges are reasonable and have been properly incurred. If requested, the Insured must ask the Professional Representative to submit the bill of costs for full review. Quarterly interim bills will also be paid provided there is additional certification that the Insured acknowledges that the Insurer will be entitled to recover such payments if for any reason the cover is deemed void by the Insurer.

The Insured and the Professional Representative must take all necessary steps where appropriate to make recovery of Professional Expenses. Any recovery of Professional Expenses already paid by the Insurer under this policy shall be immediately returned to the Insurer.

GENERAL CONDITIONS

1. Condition Precedent

The due observance of and compliance with the terms, provisions, exclusions and conditions of this Policy insofar as they relate to anything to be done or complied with by the Insured or the Professional Representative shall be conditions precedent to any liability of the Insurer to make or continue to make any payment under this policy.

2. Cancellation

The Insurer may cancel this insurance by giving 30 days notice to the Insured or to the Professional Representative and the premium shall be adjusted on the basis of the Insurer receiving or retaining pro-rata premium.

3. Change of Professional Representative

The basis of cover provided under this policy, including the terms and premiums only reflects the underwriting considerations from information provided by the Professional Representative. If the Insured changes their representative then the Insurer will not be liable for any further costs.

4. Disputes

In the event of any dispute between the Insured and the Insurer, both parties shall agree to the appointment of a suitably qualified arbitrator to decide the matter in accordance with the Arbitration Acts in force. The arbitrator shall have the power to apportion costs. The Insured's costs in preparation for and representation at meetings with the arbitrator shall not be recoverable under this Policy.

5. Insolvency of the Insured

If the Insured becomes insolvent during the course of any Claim to which the Insurer has consented the Insurers shall withdraw consent and shall have no further liability. The Insured 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 or where the Insured enters into any voluntary arrangement with his creditors.

6. Third Party Rights

Any parties not privy to this contract at inception shall not have or obtain any rights under this contract.

7. Minimising Claims or Legal Proceedings

The Insured must take all reasonable steps to minimise the cost and effect of any claim under this policy. Records and books of account must be kept in accordance with the statutory requirements of the Taxes Management Act 1970 and the Companies Act where appropriate. Any failure to comply with this condition may result in the claim being declined or Insured may be required to make such contribution as deemed appropriate by the Insurer. If, in the Insurer's opinion, the Insured's actions have not minimised the cost and effect of any claim then the Insurer will be entitled to reduce any indemnity in a proportionate manner.

8. The Law Governing this Contract

The interpretation or application of this insurance, or any of its terms, conditions and exclusions, will be subject to the laws of England and Wales and shall be referred to a court of competent jurisdiction within the United Kingdom.

COMPLAINTS

If you have any complaint you can contact the Intermediary who arranged the insurance for you. If you wish to register a complaint in connection with the policy, please contact Temple Legal Protection Limited in writing to:

The Managing Director, Temple Legal Protection Limited, Portsmouth House, 1 Portsmouth Road, Guildford Surrey, GU2 4BL.

If your problem isn't resolved you may contact the insurers, IGI Insurance Company Limited, Market Square House, St James's Street, Nottingham, NG1 6FG. The insurers will contact you within five days of receiving your complaint to inform you of what action they are taking. The insurers will try to resolve the problem and give you an answer within four weeks. If it will take the insurers longer than four weeks the insurers will tell you when you can expect an answer.

If the insurers have not given you an answer in eight weeks they will tell you how you can take your complaint to the Financial Ombudsman Service for review. This complaints procedure does not affect any legal right you have to take action against the insurers.

If you are still not satisfied you can contact the:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

The insurers are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if the insurers cannot meet their obligations. This depends upon the type of business and circumstances of the claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. Further information is available from the Financial Services Authority or the FSCS. The FSCS can be visited on the internet at www.fscs.org.uk or by contacted on 020 7892 7300

The complaints procedure above does not affect any legal right you may have to take action against us.

This policy is provided by: IGI Insurance Company Limited, Market Square House, St James's Street, Nottingham, NG1 6FG. Registered No. 1229676. Tel 0115 941 1022

Authorised and regulated by the Financial Services Authority

You can check the above details on the Financial Services Authority Register by visiting the FSA website: www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234