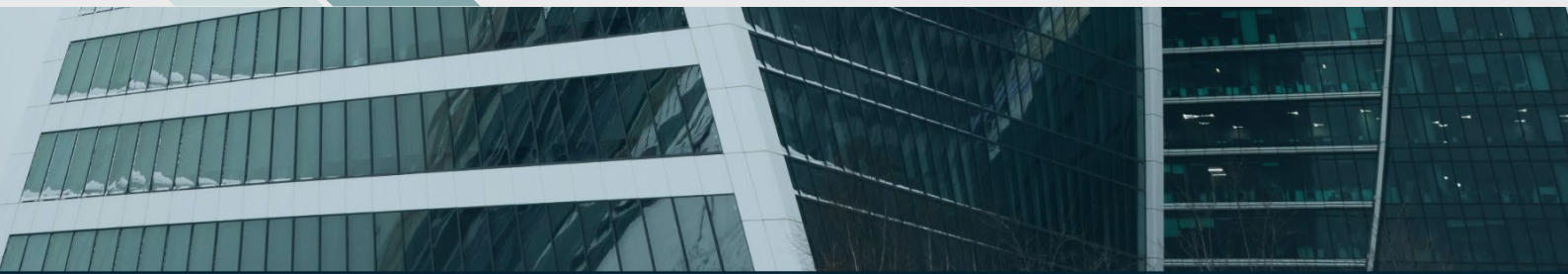




taxrisk

underwriting  
managers

Policy Wording



# TAX RISK INSURANCE POLICY WORDING

## COMPANIES | INDIVIDUALS | TRUSTS

Version 2024-07-01

This version of the policy wording replaces all other versions which pre-dates this version.



**Underwritten by Bryte Insurance Company Limited**

Registration number 1965/006764/06

A licensed non-life insurer and authorised FSP 17703

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**Administered by Tax Risk Underwriting Managers (Pty) Ltd**

Registration number 2014/086896/07

An authorised financial services provider FSP 46467

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## 1. Introduction

- 1.1. Tax Risk Underwriting Managers welcomes you as our valued tax risk insurance client and policyholder. This short-term insurance product is underwritten by Bryte Insurance Company Limited and administered by Tax Risk Underwriting Managers.
- 1.2. This policy is a legal insurance contract between you and us. This policy, together with the proposal form, schedule and endorsements pertaining to this policy form the basis of this insurance contract. Should there be any conflict between the provisions of this policy and that of any other document, the provisions of this policy shall prevail.
- 1.3. It is important that you:
  - 1.3.1. complete the proposal form correctly, and disclose all relevant information to us;
  - 1.3.2. read the policy, schedule and endorsements to make sure that you have the cover you need;
  - 1.3.3. are aware of the limits of the cover provided and the amounts we will pay on the event of a claim, including any excesses which may apply; and
  - 1.3.4. are aware of the definitions in this policy.
- 1.4. You must comply with all the provisions of this policy; otherwise, we reserve our right to refuse to pay a claim or reduce the amount claimed. In some circumstances the terms and conditions of this policy may be amended by endorsement. If your policy is endorsed, you will receive notification of the endorsement.
- 1.5. In issuing this policy, we have relied upon the information you provided in the proposal form.

## 2. Policy cover

- 2.1. In exchange for receiving the premium as stated in the schedule, we agree to indemnify you against professional fees incurred during the period of insurance up to the limits as specified in the schedule, subject to the terms and conditions contained in this policy.
- 2.2. We undertake to act on your behalf, or to appoint a service provider to act on your behalf as from the commencement of an official SARS tax audit whereby it is evident that SARS may impose additional tax charges against you in respect of such a tax audit, but excluding any matter which is specifically excluded in this policy.
- 2.3. We will provide the cover according to the product option you have selected on your proposal form, and as indicated on your schedule. The services that we or our appointed service providers will render in terms of this policy, within the limits as specified in this policy and the schedule, will include the following:
  - 2.3.1. We will cover you against the professional fees of service providers incurred by you in respect of a SARS tax audit as defined in this policy, including any disputes which may arise between you and SARS relating to a letter of findings issued by SARS following the completion of the SARS tax audit.
  - 2.3.2. Cover is extended to include the professional fees of service providers incurred by you in respect of preparation and your representation at a SARS hearing and, provided that we have consented, an appeal against a decision following such a hearing.
  - 2.3.3. Where it is, in our sole opinion essential to promote an appropriate remedy, cover will be extended to include legal representation by a practising attorney in the objection and appeal process relating to the official SARS tax audit letter of findings issued to you by SARS, including arguing the matter before the Tax Court.

2.3.4. Where it is, in our sole opinion essential to promote an appropriate remedy that cannot be pursued in the normal objection and appeal process, providing legal representation by a practising attorney on your behalf in a high court application reviewing any relevant administrative action by SARS.

provided that you sign a mandate and complete any documentation as may be required by the service provider to act for and on your behalf in any representation before SARS, and in respect of any High Court and Tax Court appearances, provided that these services fall within the indemnity limits.

2.4. Subject to the completion of the documentation and the acceptance of the mandate as specified above, you will benefit from professional legal privilege between you and the service provider who is a practising attorney, which protects all communications between you and the practising attorney from being disclosed to any third party without your express permission. The purpose of professional legal privilege is to protect your ability to access the justice system in your defence with full disclosure of all information to the service provider who is a practising attorney, without the fear that any disclosure of those communications may prejudice you in the future.

### 3. Definitions

The words explained below will have the same meaning where they appear within this policy, schedule, and endorsements.

- 3.1. **Anniversary date:** The annual date on which this policy is renewed, which occurs every 12 (twelve) consecutive months from the inception date of this policy as specified on the schedule. If you pay the premium monthly, the policy will renew automatically on the anniversary date for as long as you continue to pay the premium.
- 3.2. **Any one claim:** All claims consequent to the original cause or SARS case number shall be regarded as one claim, including an audit into any subsequent period's tax returns where a previous year's return is still subject to an open enquiry.
- 3.3. **Claims notification period:** Claims must be notified to us in writing within a 30 (thirty) day period commencing on the first day following the insured event, provided that the notification is in respect of an insured event which occurred during the period of insurance.
- 3.4. **Cover:** The cover provided by us in terms of this policy, the schedule, and any endorsements.
- 3.5. **Days:** Ordinary days, including weekends and public holidays.
- 3.6. **Disputes:** Where you are aggrieved by an assessment or not satisfied with a decision taken by SARS in its letter of findings following the completion of a SARS tax audit as defined in this policy, and if the decision is subject to objection and appeal, and you have a right to dispute the assessment or decision as determined by Chapter 9 of the Tax Administration Act, 2011 and the rules made by the Minister of Finance under Section 103 thereof (the Alternative Dispute Resolution Rules).
- 3.7. **Excess:** The first amount of any claim borne by you in respect of any one claim. The excess applicable to this policy is stated in the schedule.
- 3.8. **Incurred:** Costs or expenses suffered by yourself relating specifically to professional fees invoiced against you by an approved service provider, whether or not you have settled such invoice(s).
- 3.9. **Inception date:** The date on which cover under this policy starts, which is the date specified by you on the proposal form or the date on which you sign the proposal form, whichever is the latter.
- 3.10. **Insured event:** The issuance of an official notification by SARS to you or any person acting on your behalf that a tax audit is about to commence into your tax affairs.
- 3.11. **Limit of indemnity:** The maximum amount payable by us for claims made by you during the period of insurance and for any one claim. This amount is stated in the schedule.

- 3.12. **Material non-disclosure:** Any fact, circumstance or state of affairs relating to your tax affairs that is at any time within your or any person acting on your behalf's knowledge, or should reasonably have been in your or any person acting on your behalf's knowledge, which you have failed to disclose to us on or prior to the inception date or during the period of insurance. Such fact, circumstance or state of affairs is deemed to be material when, viewed objectively, it should reasonably have been fully disclosed to us, and which would have influenced our decision regarding the premium, the excess, the limit of indemnity and/or our decision to insure you in respect of this policy.
- 3.13. **Period of insurance:** A period of 12 (twelve) consecutive calendar months commencing from the inception date or any subsequent annual anniversary date of the policy, and for which premiums have been received.
- 3.14. **Policy:** The short-term insurance contract entered into between you and us in terms of which we undertake to provide you with certain benefits in return for your payment of a premium, subject to certain terms and conditions contained herein, which contract consists of this policy wording, the proposal form, schedule and any endorsements to the policy.
- 3.15. **Premium:** The annual or monthly amount payable by you as stated in the schedule or any other endorsement issued in terms of this policy. The amount payable under this policy is subject to change on 30 (thirty) days written notice and is renewable automatically on the annual anniversary date of the policy.
- 3.16. **Premium due date:** Annual premium payments are due on the inception date and subsequent annual anniversary date of the policy. If you elected to pay the annual premium monthly, these payments are due on the first day of each month. If you pay the premium annually, you must pay the premium to us on the anniversary date. If you do not pay the premium, the policy will lapse.
- 3.17. **Professional fees:** Any fees, expenses and other disbursements approved by us and reasonably incurred in respect of work undertaken on your behalf by the service provider in connection with any matter falling within the terms and conditions of this policy, and not exceeding the limit of indemnity.
- 3.18. **Proposal form:** The application for insurance form you must complete in order to apply for cover in terms of this policy. It is a requirement that you complete the proposal form in full and disclose all information which may be relevant to us to accept you for cover under this policy.
- 3.19. **SARS:** The South African Revenue Services.
- 3.20. **Schedule:** The schedule containing your details as the policyholder, the details of the product option you have selected, the period of insurance, premium payable, excess, limits of liability etcetera, which may be updated from time to time, and which forms part of this policy.
- 3.21. **Service provider:** An accountant, tax practitioner, tax specialist, attorney or other appropriately qualified person or firm as nominated and as approved by us, whom we appoint to represent you in accordance with the terms of this policy.
- 3.22. **Tax audit:** An official audit conducted by SARS, where SARS has notified you in writing that they are about to commence a tax audit of your tax return in accordance with the Tax Administrations Act of no 28 of 2011, excluding any requests for routine information, supporting documentation and verification type audits, but including further requests for explanations from SARS beyond such requests for routine information, supporting documentation and verification type audits.
- 3.23. **Tax avoidance scheme:** A scheme or arrangement for the avoidance of tax, including but not limited to tax avoidance arrangements as defined in sections 80A to 80L of the Tax Administrations Act no 28 of 2011.
- 3.24. **Territorial limits:** The Republic of South Africa. Only clients who are tax residents in the Republic of South Africa and who submit tax returns to SARS, are covered.
- 3.25. **We / us / our / insurer:** Tax Risk Underwriting Managers (Pty) Ltd and Bryte Insurance Company Limited. Tax Risk Underwriting Managers is an underwriting manager in terms of the Short-Term Insurance Act 53 of 1998, acting on



behalf of Bryte Insurance Company Limited, a registered non-life insurer in terms of the Short-term Insurance Act 53 of 1998 and an authorised financial services provider, as mandated by a binder agreement.

3.26. **You / your / insured:** The policyholder, who is the natural or juristic person named in the schedule, to whom this policy has been issued, who is eligible for cover in terms of the provisions of this policy, and who is entitled to claim against this policy.

## 4. Policy exclusions

We will not be liable for:

- 4.1. any activity involving a statutory authority or agency gathering information or data that is not part of an official tax audit;
- 4.2. claims made, brought, or commenced outside the territorial limits;
- 4.3. any professional fees incurred before our written acceptance of a claim;
- 4.4. any insured event which occurred prior to the inception date of this policy, or if you or anyone acting on your behalf know about, or ought to have known about any circumstance which was likely to give rise to a claim before the inception date of this policy;
- 4.5. any claim notified to us outside of the period of insurance or claims notification period;
- 4.6. professional fees in the defence of criminal prosecution, fraud, tax evasion or tax avoidance scheme;
- 4.7. any fraudulent claim. If any claim under this policy is in any respect fraudulent (either wholly or in part), or if any fraudulent means or devices are used by you or any third party acting on your behalf or with your knowledge or consent to obtain (or in an attempt to obtain) any benefit under this policy, or if any accident, loss, destruction, damage or liability be occasioned by the wilful act (or omission) or with your knowledge, consent or connivance regardless of whether or not the claim in itself is fraudulent, then:
  - 4.7.1. all benefits under this policy will be forfeited in their entirety, and we will be entitled to recover any amounts already paid to you pursuant to the claim; and
  - 4.7.2. we will be entitled to cancel the policy with retrospective effect as at the date of the occurrence giving rise to the claim or the reported occurrence date, whichever occurred first ("termination date); and
  - 4.7.3. in the event that we terminate the policy, we will be entitled to recover any amounts already paid to you from the termination date irrespective of whether such payments were made pursuant to valid claims; and
  - 4.7.4. you will not be entitled to any refund of premium in any circumstance.;
- 4.8. any claim in respect of an enquiry, dispute, or tax audit in relation to transactions and income earned from sources outside the borders of South Africa, including matters relating to customs and excise, exchange control, transfer pricing, international tax treaties, double taxation agreements etcetera. But any enquiry, dispute, or tax audit in relation to income earned from sources outside the borders of South Africa by an individual (a natural person, not a company or juristic person) who is tax resident in South Africa in respect of passive investments, interest, dividends, crypto currencies, beneficiary receipts from a trust, consulting and professional fees for services rendered, or fixed-term contract with a foreign employer will be covered by this policy;
- 4.9. any claim in respect of an enquiry, dispute, or tax audit pursuant to employment tax incentives;
- 4.10. any claim if your tax returns for the period in question were not prepared by either yourself or a registered tax practitioner as determined by the Tax Administrations Act of no 28 of 2011;
- 4.11. any claim where you have not kept proper accounting or tax records which you are required to keep;

- 4.12. any claim arising from an enquiry into your tax return or an amendment to your tax return that was not submitted within the statutory time limits, unless an extension to the statutory time limits was provided to you by SARS in writing;
- 4.13. any enquiry as a result of an error made due to a deliberate act or omission by you or anyone acting on your behalf, or where you refuse any reasonable request by SARS for rectification of a tax return;
- 4.14. any claim arising from your refusal or failure to comply with any lawful request made by SARS or any other statutory body. This exclusion will not apply if you refuse or fail to comply with the competent advice of us or our service provider as part of a claim under this policy;
- 4.15. any event which is a verification audit or routine inspection by SARS, and costs in respect of the preparation, rectification and presentation of your routine SARS tax returns, including supporting documentation, routine enquiries and the preparation and submission of supplementary information as requested by SARS from time to time;
- 4.16. costs involved in agreeing to the value of land and assets when determining capital gains tax liabilities;
- 4.17. any claim in respect of fees of a practicing advocate-at-law, unless appointed by us, to determine prospects of success;
- 4.18. any taxes, fines, interest, court costs or any other duties or penalties imposed on you or anyone acting on your behalf by SARS or any other authority;
- 4.19. any event involving a tax avoidance scheme, tax evasion, fraud, dishonesty or any criminal, malicious or fraudulent conduct or omission, or any wilful breach of statute committed by you or anyone acting on your behalf;
- 4.20. claims, legal liability or consequential loss caused by or arising directly or indirectly out of the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data, or any error in creating, amending, entering, deleting or using electronic data or the total or partial inability or failure to receive, send, access or use of electronic data for any time at all or any consequential loss resulting from this;
- 4.21. any claim arising from a material non-disclosure, including but not limited to as envisaged in section 99 of the Tax Administration Act no. 28 of 2011;
- 4.22. any claim, losses of whatsoever nature including damage, theft, liability, cost or expenses, consequential loss or damage arising directly or indirectly from illegal occupation of any building or premises; and
- 4.23. any claim, loss, damage, cost, liability, expense, consequential loss or damage of any nature whatsoever directly or indirectly caused by, resulting from, arising out of, in connection with a national (including regional, municipal, local and/or private) interruption, failure, interference, or suspension of the electricity supply to the electricity grid of South Africa for whatsoever reason, whether due to damage, an inability and/or failure (whether partial or total) of the utility supplier to generate, transmit or distribute electricity, or otherwise.
- 4.24. any claim, losses of whatsoever nature due to false pretence, including damage, theft, liability, cost or expenses, consequential loss or damage caused by any fraudulent scheme, trick, device, or false pretence practiced on the insured. False pretence means the false representations concerning past or present facts that are made with the intent to defraud another or the crime of obtaining title or possession to another's property by false pretences.

## 5. Conditions of cover

- 5.1. **Eligibility for cover:** Your annual turnover or income during the tax year immediately preceding the inception date of this policy must be less or equal to the amount specified in the schedule to be eligible for cover under this policy. If your annual turnover or income exceeds than the amount specified in the schedule, then we shall have the right to reduce your claim under this policy in proportion to the premium you have paid vis-a-vis the premium you should have paid.

If you commenced business or employment less than 1 (one) year before the inception date of this policy, your annual turnover or income will be deemed to be your turnover or income since the date of commencement of your business or employment. You must inform us if your annual turnover or income has increased prior to each anniversary date of this policy.

- 5.2. **Consent to disclosure of private information:** We are committed to and bound by the terms and provisions of the Protection of Personal Information Act 4 of 2013 regarding the request for, sharing and deletion of your personal information. We will not transfer, process, or provide personal information for use to or by third parties, unless required to do so by law or to provide the essential insurance administrative services in relation to your policy. It is essential for insurance businesses to share claims, underwriting, credit, and certain personal information with other insurance companies, service providers and insurance administrators, to enable the fair assessment and underwriting of risks, to reduce the number of fraudulent claims, and to provide essential insurance policy administration services.

You hereby waive any right to privacy and consent to the disclosure of any insurance information provided by you or on your behalf for any insurance policy or claim made or lodged by you or on your behalf, with the confounds of the law. You agree to such information being disclosed to any other insurance company, service provider, or insurance administrator of your policy, whether on your behalf or on behalf of any person you represent. The information provided may be verified against other sources or databases. This consent clause will survive the termination for whatever reason of this policy, including the cancellation or lapsing thereof.

- 5.3. **Your duty to disclose:** You and anyone acting on your behalf have a duty to tell us everything that you know, or could reasonably be expected to know, that is relevant to our decision to insure you and in the terms of this policy. If you are not sure if anything is relevant that might constitute a material non-disclosure, you should immediately inform us anyway.

During the period of insurance, you must immediately notify us in writing of any alteration to the facts or circumstances relating to your business and/or tax affairs which existed when we agreed to insure you under this policy. If you are not sure if anything is relevant that might constitute a material non-disclosure, you should immediately inform us anyway.

If we agree in writing to insure the altered risk, you must pay the additional premium we may request. If we do not agree to insure the altered risk or if you do not pay the additional premium, we will not indemnify you for any liability caused or arising directly or indirectly out of or in connection with such alteration.

- 5.4. **Rejection of claim and time bar:** If we decline liability or reject a claim made in terms of this policy, or void the policy, or if you dispute the amount of a claim, then representation may be made to us within 90 (ninety) days of the date of the letter of rejection or letter of avoidance. The representation must be submitted in writing to us at the address provided in this policy. Alternatively, you may contact the Ombudsman for Short-term Insurance at the address provided in this policy.

If the dispute is not satisfactorily resolved in this manner, you may institute legal action against us for the enforcement of the claim by means of a summons against us. Summons must be served on us within 180 (one hundred and eighty) days of the original rejection or avoidance letter, failing which all benefits in respect of such claim will be forfeited and no liability can arise in terms of such claim.

- 5.5. **Completion of the proposal form:** Cover under this policy is subject to you completing and submitting the proposal form to us, which includes a tax questionnaire, prior to the inception date of this policy, and prior to each subsequent anniversary date of this policy if your tax affairs have changed for any reason whatsoever.

It is your responsibility to inform us about any changes in your tax affairs within 30 (thirty) days of such change. Our decision to accept you for cover, and the premium payable under this policy is based on the information that you provide to us. If you fail to make a complete, truthful, and accurate disclosure, or if you fail to inform us of changes in your tax affairs, your claim may be declined or reduced, or this policy may be rendered void subject to the provisions of the Short-term Insurance Act 53 of 1998.



- 5.6. **Other insurance:** Where a loss is covered under another enforceable insurance policy, we will only be liable for the portion of the loss which is not covered by that other insurance policy, and which is covered under normal circumstances in terms of this policy.
- 5.7. **Due observance:** The due observance of, and compliance with the terms, provisions, exclusions, and conditions of this policy insofar as it relates to anything to be done or complied with by you or anyone acting on your behalf shall be conditions precedent to our liability to make or continue to make any payment hereunder. Any relaxation by us of any conditions is made without prejudice and may not be construed as us waiving our rights.
- 5.8. **Cancellation:** You may cancel this policy in writing at any time by giving us immediate written notice. We may cancel this policy by giving you 30 (thirty) days written notice, unless we become aware of any material non-disclosure, in which case we may terminate this policy immediately in writing without any notice period. In the event of cancellation, you will be entitled to a full refund of premium if the policy is cancelled within the first 14 (fourteen) days of the inception date, or if you have paid an annual premium, a refund of a proportionate part of the premium corresponding to the unexpired period of insurance where the policy is cancelled after the first 14 (fourteen) days of the inception date. There will be no refund of premium if you had notified a claim during the period of insurance.
- 5.9. **Your insolvency:** If you become insolvent during the course of any claim or legal proceedings to which we have consented, we shall reserve the right to withdraw consent. You will be deemed insolvent upon the appointment of an office holder within the meaning given by the Insolvency Act.
- 5.10. **Minimising claims or proceedings:** You must take all reasonable steps and precautions to prevent claims or losses, including, but not limited to, compliance with and adherence to laws and regulations and any risk improvement actions (where applicable) which are relevant to the risk. We may restrict the amount claimed if you have not:
- 5.10.1. taken all reasonable steps to prevent SARS from issuing you with a letter of findings, which steps shall include complying with and adhering to all laws, regulations, rules and by-laws which are material to the risk of a tax audit;
  - 5.10.2. taken all reasonable steps to minimise the cost and effect of a tax audit or dispute involving SARS;
  - 5.10.3. observed the requirement of taxpayers to maintain records as required under the Tax Administrations Act of no 28 of 2011, any other Act administered by the SARS Commissioner, and the Companies Act where applicable;
  - 5.10.4. given our service provider full co-operation, including a full and truthful account of your tax affairs and all relevant documentary or other evidence; or
  - 5.10.5. complied with or implemented the instructions or measures advised by us or our service provider in relation to any claim.
- 5.11. **Offers of settlement:** During the normal course of a claim in terms of this policy, we or our appointed service provider may negotiate with SARS on your behalf to achieve what we deem a reasonable and fair offer of settlement. Where you reject an offer of settlement in respect of an insured event which we deem to be fair and reasonable, we reserve the right to remove or restrict any further payment of professional fees.
- 5.12. **Insurable interest:** You must have an insurable interest in respect of the cover provided under the policy and the claims made against the policy. In any event, we reserve the right to waive any dispute in respect of your insurable interest at our sole discretion and without prejudice to our rights in terms of this policy.
- 5.13. **Rights under this policy:** Only you have rights under this policy in the capacity of the person being insured. If any other person has a claim against this policy, then you must claim on their behalf. Once we have paid any claim in accordance with the terms and conditions of this policy, the claim will be regarded as settled.

- 5.14. **Excess:** If an excess applies to a claim, we will deduct the excess amount from the claims settlement payment(s) to you or the service provider. If payment is made to a service provider, then you are responsible to pay the excess amount to the service provider. You can find the excess payable in the schedule.
- 5.15. **Erroneous and misstated returns:** Where your submitted tax return contains significant misstatements or omissions, any claim as a result of an official tax audit into that return may be restricted by us to an amount that would have been payable had there been no significant errors, misstatements or omissions.
- 5.16. **Choice of law:** The law applicable to this policy shall be South African law, and you and us hereby agree to submit to the jurisdiction of the Courts of the Republic of South Africa.
- 5.17. **Fraud:** If any claim under this policy is in any way fraudulent, or if any fraudulent means are used by you or anyone acting on their behalf to obtain any benefit under this policy, or if any of the events insured against in terms of this policy are occasioned by your intentional acts or with connivance, all benefits under this policy and the premiums paid in terms of this policy shall be forfeited, and the policy shall be void at our option.
- 5.18. **Financial Intelligence Centre Act, 38 Of 2001:** If, in the normal course of this policy and any claims, or any other information given to us, we become aware of any irregularities that we are obliged to disclose to the authorities in terms of the Financial Intelligence Centre Act, the Prevention of Organised Crime Act or any applicable laws, including but not limited to fraudulent activities and/or money laundering, we reserves the right to make such disclosures, and to cancel or void this policy immediately.
- 5.19. **Prescription:** There shall be no liability for any claim under this policy after the lapse of 12 (twelve) months from the insured event unless such claim is the subject of a pending legal action.
- 5.20. **Premium payment options:** This is an annual policy paid either annually or monthly as specified on the policy schedule.

**5.20.1. Monthly payments**

- 5.20.1.1. This policy is conditional upon the payment of all monthly premiums and will only commence after payment of the first premium. The premium is payable in advance and must be paid on or before the premium due date, which is the first day of every month.
- 5.20.1.2. Should there be a claim during the period of insurance in respect of which a single debit order has been unpaid, you must first settle the outstanding premium before the claim will be considered.
- 5.20.1.3. If we do not receive a premium by the premium due date or within thirty (30) days after the due date, this policy shall automatically terminate from 24:00 (midnight) on the last day of the month for which premium was actually received by us. The 30 days grace only applies from the second month of the inception of this policy.
- 5.20.1.4. Non-payment of the premium shall result in this policy terminating without notice.
- 5.20.1.5. If we do not receive the first premium (in the first month) this policy will be void from the inception date as if it had never been incepted.
- 5.20.1.6. This policy will automatically renew on receipt of your 13th (thirteenth) monthly premium.

**5.20.2. Annual payments**

- 5.20.2.1. This policy is valid for one year.
- 5.20.2.2. This policy may be renewed on the policy anniversary date if premium payment is received on or before the anniversary date, which date will be the premium due date for payment of the premium.

5.20.2.3. The premium is payable in advance, and you will only be covered for that period in respect of which the premium has already been paid to us.

5.20.2.4. If the premium is not paid, there shall be no cover.

## 6. Claims conditions

### 6.1. Our consent

Professional fees will only be covered under this policy if incurred with our prior consent, and the appropriate mandate has been signed between you and the service provider where required. We will give consent in writing or by telephone provided that there are reasonable grounds for your representation and provided that we are satisfied that there are reasonable prospects of you achieving a satisfactory outcome in the official tax audit or dispute, and that it is reasonable to incur professional fees. Reasonable prospects of you achieving a satisfactory outcome exist if:

6.1.1. You have a reasonable prospect of either pursuing or defending a claim; and

6.1.2. The service provider would, under normal circumstances, advise any other paying party of moderate financial means to proceed with the claim, and

6.1.3. The benefits likely to be obtained by proceeding with the claim justify the likely costs, and

6.1.4. The service provider considers it reasonable in all circumstances that the claim should proceed.

The service provider's professional opinion will be considered in determining the prospects of achieving a satisfactory outcome. If we are not satisfied that there are reasonable prospects of achieving a satisfactory outcome of the tax audit or dispute, our consent will not be given. If you proceed without consent and are unsuccessful, professional fees will not be covered. If you proceed and are successful, we may, at our discretion, indemnify you as if consent had been given subject to the terms and conditions of this policy.

We will withdraw consent at any time if facts become known which proves that the claim would not have been accepted under the terms and conditions of this policy had these fact been know at the start of the claim.

### 6.2. Duty to notify within the claim notification period

We must be advised in writing, immediately or at least within the claims notification period when you or any person acting on behalf become aware of any cause, want or circumstance which has or is likely to give rise to a claim under this policy. Failure to notify us during the period of insurance and within the claim notification period may lead to the claim not being accepted. Where notification occurs outside of the claim notification period, we will have the right to decline the claim on the basis of late notification.

You must advise us of any claim prior to incurring any professional fees and during the period of insurance and within the claim notification period.

### 6.3. Initial consent

In the event of a likely claim:

6.3.1. You must complete a claim form and return this to us together with any relevant information.

6.3.2. We may, following notification, authorise initial professional fees prior to receiving a completed claim form.

6.3.3. On receipt of the full claim form, we will advise whether consent is given and the amount that is authorised. The amount authorised may not be exceeded without obtaining our written consent. If this amount is exceeded without consent, any such additional amount will not be covered under this policy.

#### **6.4. Our mandate**

After you have submitted a claim, we may at our sole discretion:

- 6.4.1. Appoint a service provider;
- 6.4.2. Negotiate with SARS on your behalf to arrive at a reasonable settlement;
- 6.4.3. If required, proceed with answering the letter of findings, submitting an objection, preparing for an appeal, and/or arguing the matter before the Tax Court;
- 6.4.4. Determine what we deem to be a reasonable settlement, with consideration of the circumstances of your claim, the status of your tax affairs and the professional opinion of the service provider.

#### **6.5. Information and particulars**

We will be entitled to obtain from the service provider any information or particulars, whether privileged or not, relating to a claim. On request you must give the service provider any instructions necessary to secure the required access.

#### **6.6. Payment of the service provider's invoices**

We will pay the service provider's invoices for professional fees up to the any one claim limit or limit of indemnity only if satisfied that the charges are reasonable and have been properly incurred. Interim invoices will be paid provided you acknowledges that we will be entitled to recover such payments from you if, for any reason, the cover is deemed void by us or your claim is declined.

#### **6.7. Recovery of costs**

Where it is possible to recover costs from the relevant authority following the successful defence of an insured event, you and the service provider must take all steps necessary to recover costs paid or due to be paid by us and must pass all such recoveries in full to us subject to the limit of indemnity paid in terms of the claim.

You irrevocably agree to appoint us or our nominee as your representative with full legal authority to act on your behalf in order to recover such costs, and hereby agree to sign on demand any legal documents as may be required for such purpose.

#### **6.8. Maximum hourly charge out rates**

The service provider's professional fees payable in terms of this policy shall be limited to the rand value or the number of hours as noted on the schedule, whichever is the lesser. We have the right to negotiate with the service provider and agree on a preferential hourly charge-out rate. The rand value of the benefits in terms of the policy shall be calculated at the usual rates charged by the service provider, irrespective of the hourly rates negotiated and agreed between us and the service provider.

## **7. Making a claim**

If you are in receipt of any notification of an insured event, you must, at your own expense:

- 7.1. Notify us immediately, but at least within the claim notification period. Notification must be made in writing by registered post or email to the address provided in this policy.
- 7.2. Provide us with all details of the insured event, including the official notice of tax audit, all historical correspondence, letter of findings and any other correspondence relating to the insured event.
- 7.3. Give us details of any other insurance against which you could claim for this insured event.

- 7.4. Grant all reasonable assistance which may be required in relation to the claim and in terms of the policy and make available all information requested by us or the service provider within 24 (twenty-four) hours of such a request.
- 7.5. Provide us with as much information as possible that would be pertinent to the matter under investigation, whether requested by us or not.
- 7.6. Keep us fully and continually informed of all material developments in relation to the claim and in relation to the tax audit.
- 7.7. Follow all reasonable advice from us or the service provider.
- 7.8. You must not make any statement, admission, offer, promise or payment or give any indemnity to any person relating to the insured event without our or the service provider's written consent.

## 8. Complaints

- 8.1. Customer satisfaction is vital to us and has been one of the tenets of our business. We appreciate your effort in bringing a problem to our attention and are committed to the promptly and fairly resolving of any complaint. We would appreciate you referring initial problems to your client service consultant or their superior. If you do not receive a satisfactory resolution, please do not hesitate to lodge a formal complaint.
- 8.2. If you have a complaint about the service or advice you have received in relation to this policy, you may lodge a formal complaint with us. If you want to know how to lodge a formal complaint, and about your rights and privileges in relation to your formal complaint, you may request a copy of our complaints resolution policy from our offices or at [www.taxrisk.co.za](http://www.taxrisk.co.za).

## 9. Protection of personal information

- 9.1. We respect your constitutional right to privacy. We are committed to and bound by the terms and provisions of the Protection of Personal Information Act 4 of 2013 regarding the acquisition, usage, retention, transmission, and deletion of your personal information. We will check and validate the information you provide through legal means. We have high-level security measures in place to protect your personal information.
- 9.2. Your personal information herein collected is for the primary purpose of providing you with insurance cover and for all other activities and processes incidental to and relevant to this purpose. Your information shall be kept confidential; however, we shall disclose it to certain third parties as required and other insurers for the specific purpose of insurance and to reduce and prevent any form of fraudulent activity. Sharing of information includes, but is not limited to, information sharing with the insurers and as arranged via the South African Insurance Association.
- 9.3. You hereby consent and fully understand the reason for us to process, use, share and retain your personal information for its designated purpose and you confirm the accuracy of the information.
- 9.4. You may request us to amend, update, change or correct your personal information processed by us by sending a request to [info@taxrisk.co.za](mailto:info@taxrisk.co.za).
- 9.5. A full version of the privacy statement is available on [www.taxrisk.co.za](http://www.taxrisk.co.za) for download.
- 9.6. Should you decide to cancel this insurance contract you further consent to us and the insurers retaining the information in line with the legally permitted retention period, for statistical and reporting purposes only.
- 9.7. Should you decide not to accept the proposal, the information collected, will be de-identified and only used for statistical and research purposes.



# DISCLOSURE NOTICE TO SHORT-TERM INSURANCE POLICYHOLDERS

As a non-life insurance policyholder or prospective policyholder, you have the right to the following information:

## ABOUT THE INSURER

Bryte Insurance Company Limited (Bryte), registration number 1965/006764/06 is an authorised financial services provider, FSP number 17703 and a licensed insurer in South Africa in terms of the Short-Term Insurance Act 53 of 1998. If you have a complaint about this policy or the service you have received from Bryte, please write to us.

Bryte Insurance Company Limited

Physical and postal address: Rosebank Towers, Fifth Floor, 15 Biermann Avenue, Rosebank ,2196

Telephone: 011 088 7000

Website: [www.brytesa.com](http://www.brytesa.com)

Bryte makes use of the services of an internal compliance department. You may contact the FAIS Compliance Officer, Legal and Compliance Department at the above-noted address.

## ABOUT THE UNDERWRITING MANAGER

Tax Risk Underwriting Managers (Pty) Ltd, registration number 2014/086896/07, is an authorised financial services provider, FSP number 46467. Tax Risk Underwriting Managers is an underwriting manager in terms of the Short-Term Insurance Act 53 of 1998, acting on behalf Bryte.

WRITTEN MANDATE TO ACT ON BEHALF OF INSURER: this certifies that Bryte has granted a mandate in terms of a binder agreement to Tax Risk Underwriting Managers as the underwriting manager to represent them. This mandate includes entering into policies, determining premiums, determining policy benefits, varying and renewing policies, determining policy wordings and settling claims. Bryte pays Tax Risk Underwriting Managers a binder fee by Bryte for performing such functions and more than 30% of its income is received from Bryte.

If you have a claim in terms of this policy, or if you have a complaint about the service and advice you received, please write to:

The Managing Director

Tax Risk Underwriting Managers (Pty) Ltd

152 Bryanston Drive, Bryanston, Sandton, 2191

Telephone: 0861 473 738

Enquiries: [info@taxrisk.co.za](mailto:info@taxrisk.co.za)

Website: [www.taxrisk.co.za](http://www.taxrisk.co.za)

Tax Risk Underwriting Managers maintains professional indemnity insurance cover. Tax Risk Underwriting Managers makes use of the services of an external compliance officer. You may contact the compliance officer at:

Company: Associated Compliance (Pty) Ltd

Postal address: PO Box 9655, Devon Valley, 1715

Telephone: 011 678 2533

E-mail: [info@associatedcompliance.co.za](mailto:info@associatedcompliance.co.za)

## ABOUT YOUR INSURANCE BROKER

Information about your short-term insurance broker is provided on the schedule, and/or on your broker's disclosure notice as required by the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

## ABOUT THE NATIONAL FINANCIAL OMBUD

If your claim or complaint is not satisfactorily resolved, you may contact the National Financial Ombud Scheme of South Africa.

National Financial Ombud Scheme South Africa NPC (the NFO)  
Head Office : 110 Oxford Road, Houghton Estate, Illovo, Johannesburg, 2198  
Cape Town Office : Claremont Central Building, 6th Floor, 6 Vineyard Road, Claremont, 7708  
Tel: 0860-800-900  
Email: info@nfosa.co.za  
Website: www.nfosa.co.za

## ABOUT THE FAIS OMBUD

The Ombud appointed in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act no. 37 of 2002) is available to advise you in the event of a complaint regarding the intermediary services and advice you have received from your broker regarding this policy.

The FAIS Ombud.

Physical address: Menlyn Central Office Building, 125 Dallas Avenue, Waterkloof Glen, Pretoria 0010

Postal address: P O Box 41, Menlyn Park, 0063

Telephone: 012 470 9080

Fax: 012 762 5000 | 086 066 3274

Email: info@faisombud.co.za

Website: www.faisombud.co.za

## WARNING

- Do not sign any blank or partially completed proposal form.
- Complete all forms in ink.
- Keep all documents handed to you.
- Make notes as to what is said to you.
- Don't be pressured to buy the product.
- Incorrect or material non-disclosure by you of relevant facts may influence the insurer on any claim arising from your contract of insurance.

## OTHER MATTERS OF IMPORTANCE

- (a) You are entitled to a copy of the policy free of charge.
- (b) If the information herein was given to you verbally, it must be confirmed to you in writing within 30 (thirty) days.
- (c) You must be informed of any material changes to the information provided herein.
- (d) All written notices and communication from us shall be deemed to have been sent if posted to you or your appointed representative at the address in the schedule. All notices and communications from you or anyone acting on your behalf to us shall be deemed to have been sent if posted to us at the address noted herein.
- (e) If any complaints to the broker, the underwriting manager or the insurer are not resolved to your satisfaction, you may submit a complaint to the short-term insurance ombudsman or FAIS ombud.
- (f) The insurer and not the broker must give reasons for repudiating your claim.
- (g) A polygraph or lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating a claim.
- (h) If you become aware of fraud or irregularity on any policy you may contact the insurer where your call will be treated in confidence.
- (i) The insurer may not cancel your insurance merely by informing your broker. There is an obligation to make sure the notice of cancellation has been sent to you.
- (j) If a premium is paid by debit order, it may only be in favour of one person and may not be transferred without your approval. The insurer must inform you at least 30 (thirty) days before the cancellation thereof, in writing, of its intention to cancel such debit order.
- (k) In terms of section 21 of the code of conduct, no provider may request or induce you in any manner to waive any right or benefit conferred on you by or in terms of any provisions of this code, or recognise, accept or act on any such waiver by you. Any such waiver is null and void.
- (l) There is no conflict of interest which we are aware of which includes administrative matters, staff or income generated outside the terms of our policy.



T. +27 (0) 861 473 738  
E-mail. [info@taxrisk.co.za](mailto:info@taxrisk.co.za)

[www.taxrisk.co.za](http://www.taxrisk.co.za)

Tax Risk Underwriting Managers (Pty) Ltd is an authorised financial services provider.