



# Tax Risk

Cover against business and individual tax-related matters, including tax audits, VAT, and dispute resolution hearings & appeals.





In recent years, the South African Revenue Service (SARS) has significantly intensified its efforts in tax collection. With the financial downturn and a systematic increase in government spending, the need for additional revenue has surged. As a result, SARS has become remarkably efficient and has been endowed with additional legislative powers to achieve its tax collection goals.

The South African Government's introduction of the Tax Administration Act of 2012 has granted SARS extensive powers, which can have serious implications for taxpayers. Unfortunately, it's not just the intentional tax offenders who are under scrutiny, but also honest, law-abiding taxpayers. Even if you diligently keep your taxes accurate and up-to-date, SARS can still select you for an audit.

With this reality in mind, our Tax Risk Insurance product has been designed to protect you from the risks associated with SARS tax audits. Our insurance will appoint and cover the costs of a team of top tax professionals if you or your business is selected for an audit, ensuring you have the support of South Africa's leading tax experts when you need it most.

Tax Risk Insurance is your best defence if you ever face a SARS audit. When covered by our policy, your tax audit concerns become our responsibility immediately. Importantly, we cover the costs of employing top tax specialists to defend your case from the very beginning.



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client focused. results driven.

## Cover Inclusions:

If you are selected for a SARS tax audit, we will appoint and pay for a team of tax professionals to defend you. This team may include accountants, tax attorneys, auditors, tax specialists, and other advisors as necessary to ensure a fair audit outcome. If you already have an accountant, they will become a key part of our team.

We provide cover for 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

## Limits to Cover:

Certain exclusions apply under the policy, including:

- Audits and disputes that began before the policy's inception
- Matters involving fraud or crime
- Audits due to late submission of tax returns without an extension
- Costs related to the preparation of normal tax returns & routine supporting information
- Matters related to income generated outside of South Africa
- Issues related to customs and excise, and exchange control legislation
- Situations where proper accounting records were not maintained
- Any taxes, interest, penalties, or fines imposed by SARS

The indemnity limits depend on your taxable income or annual turnover. These limits are detailed on the Insurance Application form or can be provided by your financial advisor.



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