



taxrisk  
underwriting  
managers



Get the peace of mind we can offer you with tax risk insurance

## OVER THE PAST NUMBER OF YEARS...

Internationally, revenue collection authorities have been raising the standard when it comes to tax collection. The financial downtrend worldwide has resulted in revenue services attempting to collect more revenue and in doing so they have become far more efficient.

Linked to this trend is the fact that revenue collection authorities have been given additional legislative powers to achieve these collection objectives.

Ironically SARS have over the past number of years established itself as one of the world's leaders in revenue collection. More recently, the South Africa Government has introduced new legislation, the Tax Administration Act of 2012, which has given SARS draconian powers with potentially serious consequences for taxpayers.

Unfortunately it's not only tax offenders who wilfully underpay their taxes who are being selected for audit, but also honest taxpayers who may have miscalculated or mistakenly declared incorrect figures.

Even if you believe, like most people, that your taxes are up to date and accurate, SARS can still select you for audit.

It is with the above in mind that a tax risk insurance product has been developed, to protect taxpayers against the risks associated with tax audits from SARS.

Tax risk insurance is no longer a nice to have. It has become mandatory as the risks are simply too high for companies, high net worth individuals, business owners, professional practices and trusts.

## WHAT IS TAX RISK INSURANCE?

Tax risk insurance is simply the most effective protection for you and your business if you are 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 1,8 million tax audits. This is the unnerving reality – SARS are now auditing more taxpayers more often. And statistically speaking, you could be next!

## 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!

## ABOUT US

Tax Risk Underwriting Managers' products are underwritten by The Hollard Insurance Company Limited, South Africa's largest privately owned insurance company. Our partnership with Hollard provides the professionalism and backing of one of South Africa's leading insurance companies.

Tax risk insurance was established in the UK over 20 years ago, and introduced to the South African market by specialist providers Qdos and Tax Radar.

Qdos and Tax Radar merged in 2014 to form Tax Risk Underwriting Managers, combining the skills and experience from both these market leaders into one tax risk insurance business capable of delivering real service excellence and exceptional value.

Tax Risk Underwriting Managers is by far the most advanced tax risk insurance provider in the country. South Africa's top tax accounting and legal minds will represent the policyholder during a tax audit from SARS, ensuring the best possible audit outcome to our clients!

This category of insurance has rapidly evolved as an essential insurance product alongside Directors & Officers Liability, Professional Indemnity and Commercial Crimes insurance.



Hollard.



# BOARD OF DIRECTORS

## PETER DE SMIDT

BSC Eng, BCom, MBA, AMP Wharton Penn

### **Chairman**

Peter started his work life as a civil engineer at Transnet and Portnet. After completing his MBA, Peter joined Investec Merchant Bank where he worked in the trading division.

Peter joined Hollard Insurance in 1990 where he was later appointed as Executive Director of Hollard Insurance and Hollard Life, as well as many of its subsidiaries. A key focus for Peter was the Underwriting Management Division, with the aim and focus of developing specialist underwriting managers. Under his leadership this division proved hugely successful.

In 2007, Peter took up a shareholding in Infiniti Insurance through his investment company Intuant Investments, while also taking on the position of CEO.

Currently Peter focuses on his private equity investments, supporting the various businesses where he has an interest including Legalwise, Vanguard Marine and Leisure, Infinite Credit Underwriting Managers, Royal Administrators, Arrow Underwriting Managers and Tax Risk Underwriting Managers.

## WILLEM LOMBAARD

BA Comm, MBL

### **Managing Director**

Willem is an insurance professional who has many years' experience in managing insurance businesses in South Africa, holding management and director's positions at various insurance broking, underwriting management and insurance companies. Prior to joining Qdos Underwriting Managers (now Tax Risk Underwriting Managers) he served as Managing Director of a niche short-term insurance company and a life insurance company, whilst also serving a term on the Board of the South African Insurance Association. Willem holds a Communications degree from the University of Johannesburg and a Master in Business Leadership degree from UNISA.

Willem's broad experience in managing niche insurance businesses provides unique impetus to the execution of Tax Risk Underwriting Managers' growth strategies.

## CLIVE NOLAND

BCom (Hons), CA (SA)

### **Non-Executive Director**

Clive is the Chairman of Nolands, a national auditing firm in South Africa. He qualified as a Chartered Accountant at the University of Cape Town where he later lectured in the Commerce Faculty while completing an Honours Degree in Information Technology. He has gained extensive experience through his involvement as an executive and non-executive director in local and international listed, as well as unlisted companies. Clive was a founder member of the successful SA Prime Property Fund in South Africa and in Germany. He was also involved in several closed end Hotel Property funds. He was instrumental in obtaining the Master franchise for Radisson Hotels in the SADEC region and served as CEO of the group until sold to a listed company.

## PROF WALTER GEACH

CA (SA) BA LLB, M COM FCIS

### **Non-Executive Director**

Walter is an admitted advocate of the High Court of South Africa and a Professor in the Department of Accounting at the University of the Western Cape and subject head of Taxation. He is a Fellow of the University of KwaZulu-Natal and a Fellow of the Chartered Institute of Secretaries Southern Africa. He served as a senior professor at the University of KZN, based in the Graduate School of Business on the MBA programme.

Walter is a non-executive director of Grindrod Ltd, and he is a non-executive director of Grindrod Bank Ltd, and a member of the audit committee of both companies. Walter is a non-executive director of GPI Ltd and a member of the audit committee.

Walter has authored and co-authored over 14 books published by Oxford University Press, Juta and Lexis Nexis. The books are extensively used in practice by accountants, consultants, lawyers and financial planners. The books deal with a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning and trusts.

## DANIEL STEVENS

B. Econ, M.B.A.

### **Non-Executive Director**

Daniel completed a bachelor's degree in economics (B. Econ) at the University of the Western Cape and a Master's degree in Business Administration at the University of Stellenbosch.

He started his career in the transport industry in a business development role, managing projects and people. He then moved into product development for a large life assurer based in the Western Cape. His responsibilities included developing and implementing product and marketing strategy and engaging with intermediaries around the country. He started in the short term insurance industry in 1998 and joined a large short term insurer, assuming various roles at senior management level over several years. These included business development, regional management and strategic management roles.

Daniel is currently with the Hollard Insurance Company and serves on a number of partner boards for Hollard.

# ADVISORY

## DR DANIEL N ERASMUS

BA, BProc, H. Dip Tax, Ph.D

### **Advisory Board**

Daniel is an international tax attorney, an adjunct Professor of International Tax Law at the Thomas Jefferson School of Law in San Diego, CA, and Professor of their African associate [www.TheITF.net](http://www.TheITF.net), and a US enrolled agent. He is a US Tax Court Practitioner, and is recognized for his work in domestic and international tax risk management, international taxation and transfer pricing in Africa.

Daniel has published and co-authored several tax books, as well as a doctoral thesis: "Information gathering power of SARS and audits & the Constitution".

## MARK KORTEN

B.Comm. LLB. H.Dip

### **Advisory Board**

Mark has practiced as an attorney of the High Court of South Africa in the Division of the Northern Provinces for over 17 years. He holds the degree of Bachelor of Commerce, with majors in Accounting and Economics from the University of Cape Town. Mark also holds the degrees of Bachelor of Law and a High Diploma in Tax Law from the University of Witwatersrand in South Africa.

Mark has over 18 years' experience specialising in tax and commercial law. He has extensive experience in the consideration, negotiation, structuring and drafting of various commercial transactions. Mark's specialisation in tax law relates to local and international estate planning, the international tax consequences and South African exchange control issues relating to cross border transactions, and international group structures.

From 2001 to 2007 Mark was an acting Chairman for the Special Board for Hearing Income Tax Appeals in South Africa.

## PAUL JONES

### **Advisory Board**

Paul started his career in retail where he completed his studies in retail management. He studied Human Behaviour majoring in Psychology, where he attained his degree Cum Laude.

Paul was part of the original team setting up Tax Radar Underwriting Managers (now Tax Risk Underwriting Managers), and currently sits on the Board of a numerous companies where he adds leadership and strategic value.

In his capacity as a consultant, Paul has been involved in designing turnaround and marketing strategies for numerous companies in 24 different countries around the world. More recently, Paul co-founded the Generation@ Foundation, which works with learners and teachers throughout South Africa.

# FREQUENTLY ASKED QUESTIONS

## **But Surely My Accountants Are Responsible For My Tax Compliance?**

This is a common misconception. Even if you employ the best accountants in the world, SARS may still select you for audit. The unnerving reality is that anyone who pays tax can be audited.

Defending a complex tax audit can cost tens- and even hundreds of thousands of Rands. Even if SARS finds nothing wrong, you are still responsible to pay your tax advisors' bills for the services rendered.

## **How Common Are Sars Audits?**

SARS tax audits are more common than what you might think.

There are 20million taxpayers in South Africa. SARS reported that it conducted 1,8million audits last year, of which 20 000 cases were serious and "high impact". 9% of South African taxpayers suffered a tax audit of some definition.

## **What Taxes Are Covered?**

Should SARS come calling, Tax risk insurance ensures that you have access to the best tax and legal minds in South Africa. We will appoint and pay for the team of tax professionals who will defend your case. This may include Accountants, Tax Attorneys, Auditors, Tax Specialists and other Tax Advisors as may be required to ensure a fair audit outcome.

We will provide cover in matters relating to Income tax audits, VAT, Employees tax audits, Capital gains tax audits, Dispute resolution hearings, Appeals to the Tax Board and matters before 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.

## **Who Should Buy Tax Risk Insurance?**

Anyone who pays tax can be audited. Our objective is to assist those taxpayers who are normally not able to mount a proper tax defence out of pocket.

- Small to medium sized companies
- Company owners and directors
- High net worth individuals
- Professional practices
- Trusts
- Larger businesses

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