

Tax Probe Plus

Covering the unexpected cost of professional fees associated with external audits

Are you prepared for the unexpected expense of additional professional fees resulting from external audits on your business?

The Tax Commissioner predicts that 1 in 10 businesses, particularly SMEs, will be subjected to some form of tax audit and further crackdown on tax deductions. This is clearly evident with the dramatic increase in the number of ATO field auditors and their intention to visit every registered entity in the first five years of the GST environment.*

If audited, many small business owners, may incur additional professional fees to explain or defend their position with the ATO.

The Tax Probe Plus solution

Tax Probe Plus can cover you for what could be thousands of dollars in professional fees reasonably and necessarily incurred as a result of an audit, which commenced and was notified to Vero during the period of insurance.

The types of audits covered include those conducted by the ATO as well as by a Commonwealth, State or Territory Department, Body or Agency. Examples are State Revenue Offices (Payroll Tax, Stamp Duty) and WorkCover Authority. Superannuation Compliance audits are not included.

Benefits of Tax Probe Plus cover

- ▼ No expensive and unbudgetted professional fees to pay at the end of the audit
- ▼ Premiums are tax deductible
- ▼ Directors and Partners can be covered if purchased as a section of the Vero Enterprise Insurance policy.

Includes cover on audits on previous years' tax returns

A key feature of Tax Probe Plus is that it covers audits on tax returns submitted for previous years, where the audit commenced and was notified to Vero during the period of insurance. This feature is included at no extra premium.

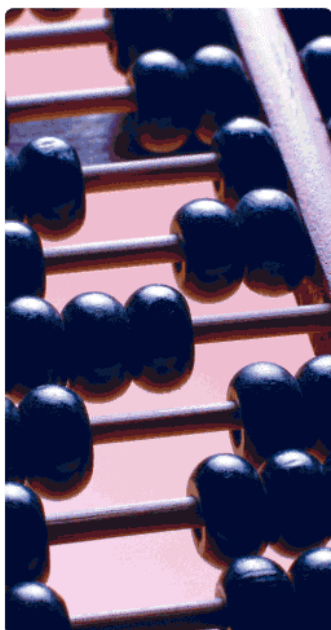
How premiums are calculated

Businesses have premiums individually calculated based on their actual turnover for the last financial year, the number of partners and directors and the Limit of Indemnity chosen.

Please refer overleaf for case studies.

For more information, contact:

APESMA Insurance & Superannuation Services
phone 1800 800 998 or email insurance@apesma.asn.au



* Australian Taxation Reporter March - April 2003, ATO Compliance Program 2003-04.

Tax Probe Plus - Claims Case Studies

The case studies below are representative only and are not intended to be used for calculating premiums. All premiums quoted and paid are subject to the business' individual circumstances and Limit of Indemnity chosen.

Industry

Clothing Retailer & Car-Park Operator	Turnover > \$ 10 million	Premium Paid \$1200	Claim for Professional Fees \$91,000
	Audit Commenced Oct-01	Audit Completed Mar-02	

Medical Company	Turnover > \$ 5 million	Premium Paid \$600	Claim for Professional Fees \$40,179
	Audit Commenced Oct-01	Audit Completed Jan-02	

Financial Planners	Turnover < \$1 million	Premium Paid \$400	Claim for Professional Fees \$17,402
	Audit Commenced Feb-00	Audit Completed Jul-00	

Jewellery Shop	Turnover > \$ 1 million	Premium Paid \$500	Claim for Professional Fees \$12,535
	Audit Commenced Jan-02	Audit Completed Apr-02	

Property Owners	Turnover < \$ 1million	Premium Paid \$400	Claim for Professional Fees \$13,729
	Audit Commenced Feb-02	Audit Completed Jun-02	

Grocers	Turnover < \$ 1million	Premium Paid \$450	Claim for Professional Fees \$5,391
	Audit Commenced Aug-02	Audit Completed Nov-02	

Carpet Shop	Turnover > \$ 3million	Premium Paid \$400	Claim for Professional Fees \$3,873
	Audit Commenced Nov-03	Audit Completed Mar-04	
