

Tax Audit

Insurance Policy

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Introduction

Applying for Cover with Us

Prior to this Policy coming into effect You have provided Us with information in support of Your request for Cover with Us. The information that You have provided to Us is referred to as Your Application for this Policy and the information that you have provided is set out in the Schedule and any addendum attached to the Schedule.

You must ensure the information provided to Us in Your Application is accurate and that You have complied with Your duty of disclosure. We have relied on Your Application to decide whether to issue this Policy and, if We do so or have, the terms and conditions upon which We do/did so.

When You have paid the Premium, or agreed to pay the Premium, We will issue You with a Schedule, any addendum to the Schedule and this policy booklet. If payment of the Premium as stated in the Schedule is not made then there is no Cover provided under this Policy.

Your Policy

Your Policy consists of:

- > the Policy wording;
- > a Schedule and any addendum attached to the Schedule; and
- > other documentation indicating a change to Your Policy, including Endorsements.

This forms the legal contract of insurance between You and Us.

This policy-booklet consists of:

- > important information that You need to know before You take out a Policy with Us; and
- > the Policy wording, which forms part of Your legal contract with Us and tells You:
 - > what Your Policy Covers;
 - > what Your Policy does not Cover;
 - > Excesses that apply to claims under this Policy; and
 - > conditions that relate to Your Cover and to claims You may make under this Policy.

The Schedule will state the details of the insurance Cover which You have selected and which are particular to You and includes any Endorsement that changes or limits the Cover stated in the Policy wording.

When We change Your Policy details during the Period of Cover We will send You a new Schedule. This Schedule will be titled 'Policy Change' and will contain details of the Endorsement to Your Policy.

Please read this policy-booklet together with the Schedule, any addendum attached to the Schedule and any accompanying documents carefully and keep them in a safe place for future reference.

Your Policy Renewal

Prior to each anniversary date of this Policy We will send You a notice to advise You that Your Policy Cover will expire on the anniversary date.

If We invite continuation of this Policy beyond the anniversary date We will send You a renewal invitation. That invitation will be in the form of a Schedule similar to the one We provided to You at the start of Your insurance Cover with Us and will set out the terms and conditions of Cover and the Premium for the next Period of Cover.

We will also provide You with a copy of any addendum to Your Schedule from either the commencement of this Policy or from the last renewal of this Policy, whichever is the later. We will ask You to check the information contained in any addendum to make sure the information which You have previously provided to Us, and which We have relied upon to provide Cover to You, has not changed. You will be asked to advise Us of any changes to the information contained in any addendum. It is important that You advise Us of any changes to that information as We will rely on that information to offer You renewal of this Policy.

Your failure to advise Us of any change to the information contained in any addendum may breach Your duty of disclosure to Us and may subsequently affect the Cover under this Policy in a significant way.

The renewal invitation may contain changes to Your Cover and, if so, those changes will apply to the following Period of Cover. Your payment of the renewal Premium will signify Your acceptance of those changes to Your Cover.

Once You have paid the Premium for the next Period of Cover the renewal invitation will be the Schedule for Your next Period of Cover and will form part of this Policy.

If it is Our intention not to invite renewal of this Policy, We will advise You and We will provide You with the reason why. If You are dissatisfied with Our reason for declining to offer continuing insurance You have the right to ask that We review that decision. Please contact Us if You wish to exercise that right.

Complaints and Disputes Resolution

We work hard at building strong relationships with Our clients. However, complaints and disputes may still arise and if that happens, Our objective is to resolve any disagreement as amicably and quickly as possible.

We have a formal complaints and dispute resolution process that is fair, efficient and accessible to all Our clients. This service is free of charge to You. Please do not hesitate to contact Us should You have any matter which You feel has not been satisfactorily resolved.

If You would like to make a complaint please call Us during office hours and speak to one of Our staff who will assist You.

If Your complaint cannot be resolved You can request that the matter be referred to Our Dispute Resolution Manager who will endeavour to resolve it through Our internal dispute resolution process.

If Our internal dispute resolution facility is unable to resolve Your dispute and You wish to take the matter further, We will provide You with information regarding a free external and independent dispute resolution service, or other external dispute resolution options (if any) that may be available to You. Alternatively You may seek independent legal advice at Your own expense.

You can view Our complaints resolution procedures at guildinsurance.com.au/help-centre/dispute-resolution-process

General Insurance Code of Practice

We are a signatory to and fully support the General Insurance Code of Practice. The objectives of this Code are to commit insurers and the professionals they rely upon to higher standards of customer service.

Please contact Us if You would like further information about the Code of Practice. Alternatively, You can view the Code of Practice at codeofpractice.com.au

Privacy

We are committed to complying with privacy laws and protecting Your personal information. By entering into a contract with Us, You agree to:

- > the collection, use and disclosure of Your personal information to evaluate, effect, manage and administer Your insurance Cover,
- > financial service or product provided to You by Us, any related company, or in conjunction with Us. This applies to personal information provided previously, currently and in the future;

- > the collection, use and disclosure of Your personal information to inform You of other products and services offered by Us, Our related entities or Your representative;
- > the use and disclosure of Your personal information to test and improve upon the systems used to manage Your Policy or financial product;
- > the collection from, and/or disclosure of, Your personal information to a third party which may include Your professional association, Your employer and Our service providers (including but not limited to other insurers, medical practitioners, lawyers, claims consultants, loss assessors and investigators), where this is relevant for the administration of Your Policy, financial product or a claim under this Policy;
- > the disclosure of Your personal information to overseas recipients, where relevant, such as some of Our reinsurers; and
- > the disclosure of Your personal information to a person, regulatory bodies or other entities if We are required or permitted to do so by law.

If You do not provide the requested personal information We may not be able to evaluate, effect, manage or administer Your Policy and You may also be in breach of Your duty of disclosure.

We will ensure that Your personal information is accurate, up-to-date and complete. You may access personal information We hold about You by contacting Us.

If You would like to make a complaint about how We have handled Your personal information please contact Us and speak to one of Our staff who will assist You.

Our privacy policy contains further information on access, correction and complaints handling procedures and can be accessed online at guildinsurance.com.au/help-centre/my-policy

Alternatively, You can write to Us at Locked Bag 32010 Collins Street East, VIC 8003 or contact Us during office hours and We will arrange for a copy of the privacy policy to be provided to You.

Important Information

The following important information applies to this Policy. Please read this information carefully and if You are in any doubt as to how this information may affect You please contact Us and ask for an explanation.

Alteration of Risk

This Policy Covers You as You have represented Yourself to Us. It is important for You to advise Us immediately of any changes to Your business affairs that may result in an increased risk of an Audit.

For example, You should advise Us when there is a change in:

- > Your financial status due to being placed into bankruptcy, receivership, liquidation or administration or becoming insolvent or wound-up; or
- > You received a statutory demand; or
- > any other changes whereby the risk Covered under this Policy is increased.

When We receive Your notification of a change We may:

- > adjust the Premium or terms of this Policy; or
- > cancel this Policy, in accordance with the provisions of the Insurance Contracts Act 1984 should We not wish to continue with this insurance.

Commencement of Cover

The Cover provided under this Policy does not commence until We have accepted Your Application or We have otherwise confirmed We have accepted Your insurance and You have paid the Premium to Us.

Your Duty of Disclosure

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- > reduces the risk We insure You for; or
- > is common knowledge; or
- > We know or should know as an insurer; or
- > We waive Your duty to tell Us about.

If You Do Not Tell Us Something

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Excess

An Excess may apply to Your claim under this Policy. The amount of any Excess applicable to this Policy is stated in the Schedule or in this policy-booklet.

GST – Goods and Services Tax

This Policy has a GST provision in relation to Premiums and to payments We may make in respect of claims under this Policy. It may have an impact on how You determine the amount of insurance You need.

It is Your responsibility to ensure that Your Cover is adequate in light of the impact of GST on You.

Please contact Us or seek professional advice if You have any queries about GST and Your insurance.

GST and Your Sums Insured

If You are registered for GST the Sum Insured that You choose should exclude Goods and Services Tax (GST).

GST and Claim Payments to You

In the event of a claim under this Policy:

- > if You are not registered for GST We will reimburse You the GST component in addition to any other amount We pay You; or
- > if You are registered for GST You will need to claim the GST component from the Australian Taxation Office. Where You cannot claim the GST component in full We will reimburse You the unclaimed GST component in addition to the amount We pay You.

Your Policy contains claims conditions in respect of:

- > GST and claim payments for acquisition of goods and services and other supply;
- > GST and claim payments for compensation;
- > GST and claim payments for legal and other costs; and
- > Our limitation for GST payment.

You should read the claims conditions contained in this policy-booklet to make sure You understand both Our and Your obligations in respect of how GST will be treated in respect of the payment of claims under this Policy.

Limit of Liability

Our maximum liability under this Policy for any one Audit and all Audits Covered in the aggregate under this Policy during the Period of Cover will be limited to an amount not exceeding the Limit of Liability stated in the Schedule, unless otherwise provided by this Policy.

Limitations of Cover

Claims Made and Notified Cover

This Policy operates on a 'claims made' basis of Cover.

A 'claims made' basis of Cover means that We only Cover an Audit the notice of which is first notified to or received by You during the Period of Cover. You must advise Us during the Period of Cover of an Audit first notified to or received by You. If You do not notify Us during the Period of Cover You may not be Covered under this Policy.

You should refer to this policy-booklet for the full description of the 'claims made' Cover provided under this Policy.

This Policy **does not** provide Cover in relation to:

- > acts, errors, omissions or conduct occurring or committed by You prior to the Retroactive Date of this Policy Cover as stated in the Schedule (if such a date is actually specified in the Schedule);
- > an Audit the notice of which is notified to or received by You after the expiry of the Period of Cover even though the act, error, omission or conduct giving rise to the Audit may have occurred during the Period of Cover;
- > an Audit the notice of which is first notified to or received by You or, threatened or intimated against You prior to the commencement of the Period of Cover;
- > facts or circumstances of which You first became aware prior to the Period of Cover and which You knew or ought reasonably to have known had the potential to give rise to an Audit or other claim Covered under this Policy; or
- > any Audit or any fact or circumstance that may give rise to an Audit, disclosed or reported to Us or any other insurer under any insurance policy prior to the Period of Cover.

Where You have given notice in writing to Us of any facts or circumstances that might give rise to an Audit as soon as reasonably practicable after You become aware of those facts or circumstances but before the expiry of the Period of Cover You may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of such Audit, subsequently notified to You arising from those facts or circumstances notwithstanding that notice of such Audit is first received by You after the expiry of the Period of Cover.

Any such rights arise under the Insurance Contracts Act 1984 legislation only. The terms and effect of this Policy are that You are not Covered for any Audit the notice of which is received by You after the expiry of the Period of Cover.

Premiums

Your Premium will be subject to the inclusion of:

- > GST in accordance with relevant taxation legislation; and
- > stamp duty as imposed by the relevant legislation of each Australian State or Territory.

Referral Fee

We may have a referral agreement with an alliance partner and We may provide financial support to them in the form of a referral fee which is a percentage of Your annual Policy Premium before government charges.

We may also have a further referral agreement with a partner, member, associate or affiliate of our alliance partner and We may provide financial support to them in the form of a referral fee which is a percentage of Your annual Policy Premium before government charges.

If You would like further information about any relevant referral Agreement please contact Us.

Waiver of Rights and Subrogation

Waiver of Rights

No provision of this Policy, either in whole or in part, shall be considered to have been waived by Us unless the provision is expressly stated in writing to be waived by Us.

Subrogation – Preventing Our Right to Recovery

If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, or liability which is Covered under this Policy **We will not Cover** You under this Policy for that loss or liability.

Your Policy

This policy-booklet together with the Schedule We provide to You and any addendum to the Schedule and any Endorsement form Your insurance Policy with Us.

Our Agreement with You

We agree to provide You with the Cover set out in this Policy which You have selected and which is stated in the Schedule.

The Cover is in force for the Period of Cover stated in the Schedule.

You have paid or agreed to pay Us the Premium set out in the Schedule for the Period of Cover.

Exclusions, General Conditions, Claims Conditions and Definitions.

This Policy has

- > exclusions;
- > general conditions;
- > claims conditions; and
- > definitions;

that will apply to this Policy.

Grammatical Forms

A number of the defined words or terms in this Policy have different grammatical forms. The meaning given to them in their definition applies specifically to one of their grammatical forms but their other grammatical forms have a corresponding meaning.

Headings

This policy-booklet contains headings which are used for reference only and must not be used when interpreting this Policy.

Singular and Plural Words

In this Policy, a reference to the singular includes the plural and vice versa.

Your Cover

What is Covered

Tax Audit Expenses

We will Cover You in respect of Your liability to pay Professional Fees that are necessarily and reasonably incurred with Our prior written consent in connection with an Audit of You conducted by an Authority:

Provided that:

notification of the Audit is first given to You during the Period of Cover and You notify Us of the Audit during the Period of Cover.

Basis of Settlement

We will pay the amount of the Professional Fees incurred.

Our maximum liability under this Policy in respect of any one Audit and all Audits in the aggregate during the Period of Cover will be limited to an amount not exceeding the Limit of Liability amount stated in the Schedule.

Exclusions

The following exclusions apply to this Policy. Please read them carefully.

This Policy does not Cover and We will not be liable for any claim under this Policy for, directly or indirectly arising out of or in any way connected with:

Fines and Penalties

- a. fines and/or penalties;
- b. any additional tax, duty, levy or other government impost or similar charge; or
- c. general interest, shortfall interest or any other interest payable.

Fraudulent, Dishonest, Criminal, Malicious or Wilful or Intentional Acts

- a. any actual or alleged reckless, dishonest, fraudulent, criminal or malicious act or omission committed by You or on Your behalf; or
- b. any wilful or intentional breach of any regulation, statute or other law, contract or duty.

Known Circumstances or Known Claims

any Known Circumstance and/or Known Claim.

Professional Fees

Professional Fees in respect of:

- a. an Audit or impending Audit of which You had notice prior to the Period of Cover or after the expiry of the Period of Cover;
- b. an Audit of a Return lodged outside of Australia;
- c. an Audit of a Return prepared for or by any natural person, partnership, corporation or other legal entity that ordinarily resides and/or operates outside of Australia;
- d. any legal proceedings or action taken against You or instituted by You;
- e. an Audit conducted by the Australian Prudential Regulation Authority;
- f. any routine enquiries, or enquiries from an Authority that are not preliminary to or related to an Audit of Your Return;
- g. an Audit in respect of a Return that was not prepared or reviewed by a Professional Adviser prior to it being lodged with an Authority;

- h. Your appointment of a Professional Adviser or Professional Fees You incurred after notification of an Audit to Us without Our prior approval;
- i. an Audit in respect of a Return lodged more than three months after the lodgement date prescribed in any authorized extension of time for lodgement as approved in writing by the relevant Authority;
- j. an Audit relating to Your participation in any tax avoidance scheme or arrangement;
- k. an Audit relating to Your participation in any marketed, or mass marketed tax minimisation scheme or arrangement unless the scheme or arrangement has received a favourable product ruling from the relevant government agency;
- l. any review or appeal relating to the outcome of any Audit, including but not limited to, the determination of any penalty, fine, or prosecution;
- m. costs incurred after a Concluded Audit;
- n. an Audit where You were at or prior to the commencement of the Audit insolvent or placed into bankruptcy, receivership, liquidation or administration;
- o. any Audit conducted by an Authority in respect of which such Authority has imposed or proposes to so impose on You a final culpability penalty in excess of seventy-five percent (75%) of the tax otherwise assessed and/or payable;
- p. a review relevant to Your maintaining Your industry status, licence, compliance, membership, workplace health and safety compliance; or
- q. any activity involved in the familiarization, education, training, application, implementation, process or operation of changes to existing legislation or regulations or in respect of new legislation or regulations enacted.

Sanctions

the payment of such claim or provision of such Cover that would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or Australia. This exclusion applies notwithstanding anything contained in this Policy to the contrary.

General Conditions

The following general conditions apply to this Policy.

Please read them carefully.

It is important that these conditions are observed. If You or any other person or party Covered under this Policy do not comply with these conditions the Cover under this Policy may be cancelled or We may reduce any claim payment to You or refuse to pay Your or their claim under this Policy.

Alteration of Risk

You must advise Us immediately if, during the Period of Cover, there is a change in:

- a. Your financial status due to being placed into bankruptcy, receivership, liquidation or administration or becoming insolvent or wound-up; or
- b. any other changes whereby the risk Covered under this Policy is increased.

We may cancel this Policy or alter the Premium and/or the terms of this Policy once You advise Us of the change. We may do this with effect from the date You knew, or should have known, of the change in Your affairs or of any other increase in risk of an Audit.

If You do not advise Us of any changes to Your business affairs or of other changes in the risk Covered under this Policy We may refuse to pay Your claim under this Policy.

Cancellation

Cancellation by You

You may cancel this Policy at any time by giving Us written notice. No refund of Premium will be paid in the event of You cancelling this Policy during the Period of Cover.

Cancellation by Us

We may cancel this Policy when We are entitled to do so in accordance with the Insurance Contracts Act 1984.

In the event of cancellation by You or by Us:

- a. We will retain from the Premium You have paid to Us an amount that represents the period You were Covered by Us up to the date of cancellation and refund the balance of the Premium paid by You; and
- b. We may deduct from Your refund amount any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of this Policy.

Estates, Heirs, Legal Representatives

We agree to provide Cover to Your estate, heirs, representatives or assigns in the event of Your death, mental incapacity, insolvency or bankruptcy to the same extent as Cover would otherwise be available to You under this Policy.

Joint Insurance – Non-imputation

Where this Policy Covers more than one of You:

- a. any misstatements or misrepresentations in Your Application for this insurance or in any information provided for any alteration to or renewal of this Policy or failure to comply with the duty of disclosure by one of You will not be imputed to any other of You where that other of You is innocent of and had no prior knowledge of the misstatement, misrepresentation or failure to comply with the duty of disclosure; or
- b. a failure of one of You to comply with all of the provisions of this Policy will not prejudice the Cover afforded to any other of You provided that other one of You is innocent of the conduct and advises Us in writing of all the facts relating to the failure as soon as possible after becoming aware of the failure.

Non-accumulation of Limits of Liability

Where two or more insurance policies issued by Us (one of which includes this Policy) provide Cover in respect of the same claim the maximum amount We will pay in respect of that claim is the highest applicable Limit of Liability amount available under any one of such policies.

Only one Excess shall apply to such a claim which will be the Excess applicable to the policy with the highest Limit of Liability amount. Where the Limits of Liability are the same, the higher Excess will apply.

Jurisdiction

Any dispute arising under this Policy will be determined by Australian courts and in accordance with the laws of the State or Territory of Australia in which this Policy was issued.

Notices and Authorisation

Where there is more than one of You Covered under this Policy the person or the legal entity stated in the Schedule as the Insured shall be deemed the agent for the purposes of receiving notices for all other persons or entities Covered under this Policy.

We will send all notices to either Your last notified postal address or notified email address, as selected by You.

The Insured stated in the Schedule will also be authorised to act on behalf of all other persons or entities Covered in respect of all matters relating to this Policy.

Other Insurance

Where a claim Covered under this Policy may also be covered under another policy of insurance (not issued by Us) then We reserve Our right to seek contribution from the other insurer. When We so require You or any other person or entity entitled to Cover under this Policy must give Us written notice of any insurance covering, whether in whole or in part, the claim under this Policy.

Premiums

Premium Payment

The Cover provided under this Policy does not commence until You have paid or agreed to pay Your Premium to Us for the Period of Cover.

Payment in Australian Currency

Payment of all Premiums payable for this Policy and any continuation thereof shall be made in Australian currency only.

Waiver of Rights and Subrogation

No provision of this Policy, either in whole or in part, shall be considered to have been waived by Us unless the provision is expressly stated in writing to be waived by Us.

We will not pay a claim under this Policy where You have agreed not to recover from any person, entity or corporation liable to compensate You for loss or liability or where You have agreed under any contract, lease or similar agreement to limit or exclude any right of recovery against any third party who would otherwise be liable to compensate You with respect to that loss or liability.

Claims Conditions

The following claims conditions apply to this Policy. Please read them carefully.

It is important that these claims conditions are observed.

If You or any other person Covered under this Policy do not comply with these conditions the Cover under this Policy may be reduced or this Policy may be cancelled or We may reduce any claim payment to You or refuse to pay Your or their claim under this Policy.

Appointment of and Fees for Your Professional Adviser

We shall only provide Cover for Professional Fees incurred with Our prior written consent. We reserve Our right at all times to cease paying or to recover any Professional Fees paid where there are no longer any reasonable grounds for You to refuse to accept the findings of an Audit or it is subsequently found You are not entitled to Cover under this Policy.

At all times the Professional Adviser shall be appointed in Your name and You shall be primarily responsible for the payment of the Professional Fees incurred.

You must forward copies of invoices or accounts for any Professional Fees incurred with Our prior written consent to Us. We may at Our discretion refer these costs to a relevant authority or expert to be taxed, assessed or audited.

Claim Notification

You are required to provide Us with:

- a. notice of any Audit notified to You or served on You as soon as reasonably possible after this occurs; and
- b. all correspondence and/or notice of such Audit as soon as reasonably possible after receipt by You or service on You.

Access to Your Professional Adviser

We will be entitled to have direct access to Your Professional Adviser at all times and You must cooperate fully with Us and keep Us fully informed of all material developments regarding the Audit.

We will be entitled to request You to instruct Your Professional Adviser to provide directly to Us such documents, information and advice that We may reasonably require to determine what, if any, obligation We have to Cover You under this Policy.

You must not unreasonably refuse to accept the advice of Your Professional Adviser in respect of making or accepting an offer to settle or discontinue the Audit.

Claims Cooperation

You must provide to Us any reasonable assistance We require to investigate, defend or settle any claim under this Policy.

You must use due diligence and take all reasonably practicable steps to avoid or diminish Our liability under this Policy and give all assistance to Your Professional Adviser and to Us as may reasonably be required to enable Your Professional Adviser to advise You and to enable Us to determine Our liability under this Policy.

In particular, You are required to provide Us with:

- a. Your cooperation in assisting Us to handle any claim under this Policy on Your behalf including the gathering of all relevant information; and
- b. at Your own expense, such books of account and other business books, computer records and other documents, proofs, information, explanations and other evidence as We may require for the purpose of investigating or verifying a claim under this Policy. You must give all assistance to Your Professional Adviser and to Us as may reasonably be required to enable Your Professional Adviser to advise You and to enable Us to determine Our liability under this Policy.

Claims Payments in Australian Currency

Payment of all claims Covered under this Policy shall be made in Australian currency only.

Excess

You must first pay the Excess amount specified in the Schedule before We will make any payment in respect of a claim under this Policy. Our liability to make any payment in respect of a claim shall be limited to that part of the claim above the Excess.

GST

GST and Claim Payments for Services or Other Supply

You must advise Us of Your correct Input Tax Credit percentage where You are registered as a business and have an Australian Business Number (ABN).

We will not pay for any GST liability arising from Your incorrect advice of Your Input Tax Credit percentage.

Where We make a payment under this Policy for services or other supply We will reduce the amount of the payment by the amount of any Input Tax Credit that You are or will be or would have been entitled to in relation to that service or supply whether or not that service or supply is actually made.

If You are not registered for GST:

- a. We will pay the GST component of the service or supply if the service or supply has been authorised by Us and the subsequent invoice is made out to and paid by Us; or
- b. if We pay the service or supply cost to You We will reduce the payment by the amount of any Input Tax Credit to which You are or would be entitled.

If You are registered for GST:

- a. **We will not pay** the GST component of the service or supply cost;
- b. if We pay the service or supply cost to You We will reduce the payment by the amount of any Input Tax Credit to which We are or would be entitled.

GST and Claim Payments for Legal and Other Costs

If We pay legal costs or other expenses on Your behalf or incurred by You with Our prior consent in relation to any claim under this Policy We will not pay or reimburse the amount of GST included in those costs or expenses to the extent that You are entitled to Input Tax Credits in relation to such costs or expenses.

Limitation of GST Payment

If the Limit of Liability amount or other limits under this Policy is/are not sufficient to Cover Your claim under this Policy We will only pay the respective proportion of the relevant GST amount that relates to the amount of Our settlement of Your claim under this Policy.

Definitions

This Policy has words and terms with special meanings. We explain their meaning in the following definitions.

These defined words or terms are shown with a capital letter at the start of each word. Please read all definitions carefully.

Application

means the information provided by You or on Your behalf and submitted to Us when applying for this Policy and which We have relied on when agreeing to issue this Policy.

Audit

means:

- a. an official examination, or inquiry undertaken by an Authority that is authorised to conduct such an examination or inquiry; or
- b. a Record Keeping Audit; in respect of a Return relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, goods and services tax, land tax, payroll tax, stamp duty, superannuation payments tax, termination payments tax, wholesale tax and sales tax; or
- c. an official examination or inquiry undertaken by an Authority into whether You have met or complied with Your tax or financial obligations to that Authority and where such Authority is authorised to conduct such an examination or inquiry.

Australia, Australian

means the States and Territories of Australia.

Authority

means the Australian Taxation Office or any statutory taxation authority or agency of an Australian State or Territory **but does not mean** the Australian Prudential Regulation Authority.

Concluded Audit

means any written notification provided by an Authority in relation to an Audit which states:

- a. its findings in relation to that Audit;
- b. the basis upon which it proposes to act in connection with a Return which formed the subject of that Audit;
- c. its determination in relation to that Audit;
- d. an assessment of, or any subsequent amended assessment of, a Return which formed the subject of that Audit.

Cover, Covers, Covered

means the indemnity provided under this Policy.

Employee

means a natural person who has at any time entered into a contract of service or apprenticeship with You and/or for who You are required by virtue of worker's compensation or similar legislation to effect worker's compensation insurance cover.

Endorsement

means a written notification given to You by Us that details changes to Your Cover under this Policy.

Excess

means the amount of money stated in the Schedule or elsewhere in this Policy that You must pay or bear as the first payment in respect of any claim under this Policy.

GST and GST Act

means goods and services tax as defined within the A New Tax System (Goods and Services Tax) Act 1999 (GST Act).

Input Tax Credit has the same meaning as that in the GST Act.

Known Circumstances

means any fact or circumstance which:

- a. You or others Covered under this Policy were aware of prior to the Period of Cover and which You or they knew or ought reasonably to have known may give rise to a claim;
- b. a reasonable person in Your or their position should have been aware of prior to the Period of Cover and which You or they knew or ought reasonably to have known may give rise to a claim; or
- c. has been disclosed or reported to Us or any other insurer under any insurance policy prior to the Period of Cover.

Known Claims

means any claim:

- a. first made or served on You, threatened or intimated against You or others Covered under this Policy prior to the Period of Cover; and/or
- b. disclosed or reported to Us or any other insurer under any insurance policy prior to the Period of Cover.

Limit of Liability

means the maximum amount We will pay under this Policy as stated in the Schedule.

Partnership

means:

- a. the same as defined in the Partnership Act relevant to the state or territory where the business is carried on; and
- b. includes any individual who was/is a partner at any time during the Period of Cover.

Period of Cover

means the period of time stated in the Schedule for which We agree to provide You with Cover under this Policy unless this Policy is cancelled in which event the Period of Cover will end on the effective date of the cancellation.

Policy

means the following:

- a. the Policy wording;
- b. the Schedule and any addendum attached to the Schedule; and
- c. any Endorsement.

Premium

means the payment You make to Us for this Policy or for an alteration to this Policy and includes all applicable government or statutory taxes and charges including GST.

Professional Adviser

means:

- a. a qualified and registered accountant, tax agent or tax consultant; and
- b. any other professional adviser engaged by any person listed in clause a. above as a consultant in connection with any Audit:

but does not mean You or Your Employee.

Professional Fees

means the fees, costs and disbursements necessarily and reasonably incurred in respect of an Audit that would be payable by You to any Professional Adviser for work undertaken in respect of such Audit:

but does not include fees, costs, expenses or other amounts that:

- a. form part of an annual or fixed fee or cost arrangement;
- b. are ordinarily associated with the preparation of Your Returns, accounts, taxation or financial records;
- c. are incurred without Our prior written consent in connection with a Concluded Audit or a Reviewable Decision; or
- d. are a fine, penalty, tax or duty in nature;
- e. are a general interest, shortfall interest or any other interest charge;
- f. are sought under an amended notice of assessment issued by an Authority;
- g. are associated with Your requirement to comply with any
 - > mandatory, or voluntary undertaking; or
 - > injunction, or order of specific performance as a result of a finding, recommendation or by order of any court or tribunal.

Record Keeping Audit

means any inquiry, review or investigation by an Authority aimed at determining the extent of Your compliance with the record keeping requirements of relevant taxation legislation.

Retroactive Date

means the retroactive date stated in the Schedule.

Return

means any documentation legally required to be lodged with an Authority.

Reviewable Decision

means a reviewable decision under the Superannuation Industry (Supervision) Act (Cth) 1993.

Schedule

means the Schedule issued by Us containing details of Cover specific to You including but not limited to Your Policy number, the Period of Cover, details of the Cover You have selected, Limit of Liability and other limits of Your Cover and any Excesses You must pay and which attaches to and forms part of this Policy.

Self-managed Superannuation Fund

means a fund which is a complying superannuation fund under the Superannuation Industry (Supervision) Act (Cth) 1993 and which has:

- a. fewer than five (5) members; and
- b. each individual trustee of the fund or director if a corporate trustee of the fund is a member of that fund; and
- c. each member of the fund is a trustee; and
- d. no trustee of the fund receives remuneration for their services from the fund.

Subsidiary Company

means any entity which by virtue of any applicable legislation or law is deemed to be a subsidiary of the legal entity stated in the Schedule and which is incorporated and domiciled in Australia.

We, Us, Our

means Guild Insurance Limited ABN 55 004 538 863 and AFS Licence No 233791 of Level 13, 171 Collins Street, Melbourne, Victoria 3000.

You, Your, Insured

means:

- a. the individual listed in the Schedule as the Insured and includes any trust or company where the individual holds a 100% ownership, interest or shareholding, but not including any superannuation fund;
- b. any Self-Managed Superannuation Fund listed in the Schedule as the Insured;
- c. any Partnership listed in the Schedule as the Insured.

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1800 810 213

guildinsurance.com.au

Who is the Insurer?

This Policy is issued by Guild Insurance Limited, ABN 55 004 538 863 and AFS Licence No. 233791, of Level 13, 171 Collins St, Melbourne Victoria 3000 and hereafter referred to as 'We', 'Us' or 'Our'.

This Policy was prepared in June 2020 and the information it contains was current at that date. If the information changes adversely we will issue a replacement Policy.

Effective date: June 2020

GLD71276 Tax Audit Policy 06/2020