Policy Document

The UK Association of
Letting Agents (UKALA)

Affinity Group

This policy is a contract between us, the insurer, and the policyholder.

The scope of cover provided and the maximum amounts payable are set out in the accompanying Schedule of Insurance. This policy, the schedule of insurance and any endorsements as set out in writing should be viewed as one document.

We will insure you, in accordance with the policy terms and the schedule of insurance, against the professional fees of an Approved Consultant in dealing with a tax investigation on your behalf arising from a valid claim which occurs and is notified to PFP during the period of insurance.

Important: This is a 'Claims made' policy. Claims must be made within the policy period and received by PFP in writing during the period of insurance, or no longer than 30 days after policy expiry if the Policyholder only became aware within the last 30 days of the policy period. Please see the Claims section for further terms.

Insured Events

A Full Enquiry - A Self-Assessment Full Enquiry which will Include a request for sight of all books and records by HMRC.

An Aspect Enquiry - A Self-Assessment Aspect Enquiry by HMRC into one or more specific aspects of a Self-Assessment return.

A Business Inspection Notice - This is where HMRC exercise their power to request entry to a person's business premises and inspect the business premises, assets, goods and documents. It will feature the approval of an "Authorised Officer" of Revenue & Customs and the issue of an Inspection Notice for a short notice or unannounced visit or where the proposed inspection has been approved by the First- Tier Tribunal. The notice will be issued under Schedule 36 paragraph 12(2) FA 2008.

VAT Disputes - This is a challenge by HMRC to the accuracy or completeness of returns submitted. It will feature a disagreement over both the way in which VAT has been operated and over the amount of VAT due.

PAYE/NIC/CIS Disputes - This is a challenge by HMRC to the accuracy or completeness of returns submitted in accordance with Pay As You Earn/CIS Regulations. It will feature a disagreement over both the way in which PAYE/CIS has been operated and over the amount of PAYE/NIC due.

IR35 Disputes - This is where HMRC states a client should be subject to the IR35 legislation following a PAYE Compliance Visit or the issue of a notice under paragraph 24(1) Schedule 18 FA 1998. It will feature a disagreement over whether this legislation applies.

Code of Practice 8 Investigations - This is where HMRC Specialist Investigations conduct an investigation in accordance with Code of Practice 8.

Interventions Cover - This is where HMRC issue a routine letter or telephone call with a view to obtaining clarification on particular points on a self-assessment tax return without the issue of a statutory notice and not dealt with or excluded under any other section of this policy.

Provided that;

- Liability to tax has been notified to HMRC within the statutory time limits. There must be a reasonable prospect of success in defending any dispute
- The individual or firm to act as the Approved Consultant has been agreed by us in advance and in writing
- All costs/appeals are approved by us in advance and in writing
- Claims which originate from any matter which existed before the first period of insurance shall not be covered except where full disclosure has been made to us and the increase in risk has been accepted by us in writing

What we mean by:

We have set out below definitions of certain words or phrases throughout the policy. If any of these words appear in an endorsement to this policy, they will have the same meaning.

Affinity Group, Policyholder – The membership group who is named in the policy schedule as the policyholder.

Approved Consultant – The accountant, firm of accountants, or other appropriately qualified person who is to act on your behalf in dealing with HMRC and approved by us.

PFP will appoint and approve the consultant conducting work on the insured events.

Designated Member, You, Your, Client – The individual or firm who will be able to make a claim under this policy. Affinity Group members who are to be included under the policy will be termed as Designated Members. Cover for Designated Members will commence when their affinity group membership becomes effective and ends either when membership ceases or in the event PFP ceases to be the affinity groups insurance provider on the basis that the policy terms are not affected.

Endorsement – A variation in the terms (or a change in details) of the policy.

HMRC – HM Revenue & Customs.

Insurer – International General Insurance Company (UK) Limited, Forum House, 15 – 18 Lime Street, London

EC3M 7AN.

Period of Insurance – Cover commences when the eligible affinity group membership becomes effective and ends either when membership ceases or in the event PFP ceases to be the affinity groups insurance provider on the basis that the policy terms are not affected.

We, us, our, PFP, agent for the insurer – Professional Fee Protection Ltd, PFP House, 5 Sylvan Court, Basildon, Essex, SS15 6TH.

Professional Fees – Reasonable fees and disbursements of the Approved Consultant incurred by you with our prior written approval. Fees will include VAT where it cannot be recovered.

Schedule of Insurance – This shows details of the Insurer or Insurers, the policyholder, the period of Insurance and the cover which applies. The schedule is part of the policy. We will issue a new schedule when the policy is altered or cover is renewed.

Policy Requirements

The policy is designed to protect the genuine person or business which becomes the subject of a tax investigation or dispute. All parties must play their part by ensuring that they do not invite an investigation by their own actions.

We require that:

a. All reasonable care must be taken by clients and agents to prevent a claim and to minimise costs.

b. Where the investigation or enquiry includes the review of any technical issues, the client shall be regarded as having taken all reasonable care if they took suitably qualified professional advice and had been advised in writing that the tax position reflected in the returns (in relation to the issue(s) which is/are the subject of the investigation or enquiry) was reasonable. This will include but is not exclusive to capital gains tax valuations which are obtained prior to a return being submitted to HMRC.

c. All returns and accounts must be properly prepared. Any failure which can prompt an enquiry or dispute will invalidate cover.

d. Any increase or alteration in risk must be notified to us immediately. Failure to do so may invalidate any claim.

e. We will not pay for things that need to be done anyway, or for the cost of routine enquiries, (such as the reconciliation of annual accounts with VAT returns), compliance or business inspection visits.

f. You must co-operate fully with us and the Approved Consultant and deal with requests and recommendations without delay. You must have given your accountant and the Approved Consultant a full and truthful account of your tax affairs.

General Conditions

Limits of Indemnity/Excesses

The most we will pay is shown under the maximum amounts payable on your policy schedule. This is also subject to any excess agreed and endorsements applied. Claims which originate from the same matter will be treated as one claim.

Our Rights after a Claim

Before or after we pay your claim under this policy, we can take action, in your name, or in the name of anyone else covered under the policy, to enforce client's rights against any other person. We will pay any costs or expenses involved.

Fraudulent Claims

If a claim under this policy is false or fraudulent in any way, the policy is void and any claim will not be paid.

Territorial Limits

Any insured incident must be within the United Kingdom of Great Britain and Northern Ireland

Claims

Important: This is a 'Claims made' policy. Claims must be made within the policy period and received by PFP in writing during the period of insurance, or no longer than 30 days after policy expiry if the Policyholder only became aware within the last 30 days of the policy period.

Claims must be notified to PFP within 30 days of the insureds awareness of an Insured event, or of any costs being incurred by an Accountant.

In the event of a claim PFP will appoint and approve the consultant conducting work on the insured events. Work must not commence into any of the items included in this insurance prior to PFP appointing a consultant. All costs must be authorised in advance in writing by PFP.

A claim form must be completed upon request and PFP must be kept informed as requested of the progress of the claim. The Approved Consultant must keep time records unless a fixed fee has been agreed.

Settlement

In the event we consider you have settled or withdrawn from a claim without our consent or have refused an offer which we consider reasonable to settle a claim, cover will cease with immediate effect and we reserve the right to reclaim all costs paid to date.

Option to reimburse

We may, at our sole discretion, pay an appropriate amount instead of representation costs.

Other Insurance

The insurer will not pay any claim covered under any other policy or any claim that would have been covered by any other policy if this policy did not exist.

Opinions

We may at our sole discretion require you to obtain an opinion from counsel at your expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds to continue with the claim and we agree, the costs of the opinion may be paid by the insurer.

What is not covered

- Claims which originate from any matter which existed before the first period of insurance except where a full disclosure has been made to us and the increase in risk has been accepted by us in writing
- Any claim involving the Civil Investigation of Fraud procedure (Code of Practice 9) or Specialist Investigation/Fraud Investigations Service other than where Code of Practice 8 cover is in place
- Investigations following a voluntary disclosure made to HMRC (whether or not under an amnesty or Offshore Disclosure Facility) of taxes due as a result of the policy holder making an incorrect return
- Enquiries into, a tax planning arrangement (for the purpose of any direct or indirect taxes in respect of which HMRC has allocated a Scheme Reference Number ("SRN") under the Disclosure of Tax Avoidance Schemes regulations ("DOTAS") for disclosure in a tax return or where an SRN would have been issued but for a failure to notify HMRC (whether by the scheme promoter or the policy holder). And, in addition, any other marketed or promoted tax planning arrangement whatsoever (whether or not disclosable under DOTAS) including, but strictly not limited to, Employees Benefit or Remuneration Trusts, EFURBS (or any other form of disguised remuneration), lease arrangements, film partnerships or film schemes, those involving capital or income losses or group relief, PAYE and/or NIC, Inheritance Tax, VAT or SDLT, whether or not such arrangements feature wholly or partly in HMRC "Spotlights"
- Claims where tax returns have not been submitted within 90 days of the statutory filing deadlines unless HMRC accept in writing the reason for the delay
- The costs of making good any deficiencies in books, records, accounts or returns or work ordinarily capable of being done by the policy holder
- Any enquiry or dispute arising from or relating to Tax Credits, IR35, National Minimum Wage or CIS Gross Payment Status Disputes
- Taxes, fines and penalties, interest, compensation or damages payable
- The reconciliation of accounts with VAT returns or the reconciliation of CIS returns with P35's
- The cost of obtaining Professional Valuations after a claim has commenced or after a client's tax return has been submitted to HMRC
- Criminal investigations or prosecutions including those under Section 60 VATA 1994
- Any costs incurred if, either before or during a claim, other than for a Members Voluntary Liquidation, the policyholder:
  - Is or becomes bankrupt or has filed a petition for bankruptcy or a winding-up petition; or
  - Enters into a Deed of Arrangement with creditors; or
  - Enters into liquidation; or
  - Puts part or all of its affairs or property into the care or control of a receiver or administrator
- Enquiries into the domicile of the taxpayer.

Cancellation

If you decide for any reason that this policy does not meet your insurance needs then please return it to PFP within 14 days from when your affinity group membership commences. You may opt out of the insurance cover at any time by informing PFP. However, no refund of premium will be payable to affinity group members as no premium is payable by such members with the entire cost borne by the affinity group itself. All policy cancellations are required in writing or by email.

The Insurer may cancel the policy for whatever reason by giving the Affinity Group 30 days' notice in writing and an Individual designated member 14 days' notice in writing.

The Insurer shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days' notice in writing where there is a valid reason for doing so. Valid reasons may include but are not limited to:

a) Fraud, b) Non-payment of premium, c) Threatening and abusive behaviour, d) Non-compliance with policy terms and conditions.

Payments

No premium is payable by Affinity Group members with the entire cost borne by the affinity group itself.

Where the full premium has not been paid, the following endorsement shall apply:

"In the event of a claim, the insurers liability shall be limited to that proportion of any loss which the premium paid bears to the full premium".

Third Party Rights

No person who is not a party to this Contract shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. This Contract may be varied without any third party's consent.

Entire Agreement

This policy and any other written documentation associated with this policy constitutes the whole agreement and understanding between the parties with respect to the subject matter of this Contract and supersedes all prior discussions between the parties and/or their Representatives and all representations, warranties or undertakings with respect to the subject matter of this Contract.

Mediation

A. If any dispute arises out of or in connection with the contract, the parties will attempt to settle it by mediation. To initiate mediation, a party must give notice in writing to the other party to the dispute requesting mediation pursuant to this clause (a Mediation Notice). The parties expressly agree that service of a Mediation Notice shall stop time running for all purposes of the laws of all relevant jurisdictions (including but not restricted to the Limitation Act 1980).

The mediator shall be a person with not less than ten years experience of insurance or reinsurance within the industry or as a lawyer or other professional person serving the industry. In the event that the parties fail to agree on the appointment of a mediator within 14 days of the Mediation Notice having been served, either party may request the Centre for Effective Dispute Resolution (CEDR) to make that appointment.

The mediation will start not later than 28 days after the date of the Mediation Notice.The mediation will take place in London, England and the language of the mediation will be English. Unless the parties otherwise agree at any time prior to or within 7 days after the appointment of the mediator, the mediation shall be conducted in accordance with the CEDR Model Mediation Procedure.

No party may commence any court proceedings in relation to any dispute arising out of or in connection with this contract until the parties have attempted to settle it by mediation and that mediation has terminated.

B. If the parties have not resolved their dispute by mediation in accordance with clause A above within 42 days of the Mediation Notice having been served, the parties agree that any dispute arising out of or in connection with the contract (including the mediation clause) shall be determined in accordance with the following paragraph.

Governing Law and Jurisdiction

This contract shall be deemed to have been made in England and its construction, validity and performance shall be governed in all respects by English law.

The Courts of England and Wales shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaim) that may arise in connection with any aspect of the legal relationship established by this contract or otherwise arising in connection with this contract.

It is a condition of this contract that each party submits irrevocably to the jurisdiction of the Courts of England and Wales.

The Insurer

This insurance is arranged by Professional Fee Protection Ltd with International General Insurance Company (UK) Limited, Forum House, 15 – 18 Lime Street, London EC3M 7AN.

Professional Fee Protection Ltd is authorised and regulated by the Financial Conduct Authority.

This can be checked on the FCA's website at

www.fca.org.uk/firms/systems-reporting/register or by contacting them on 0800 111 6768.

International General Insurance Company (UK) Limited, is registered in England and Wales (registration number 06870207) by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Customer Care

As market leaders we recognise the importance of constantly improving the quality of our service and products.

Because of this we welcome your comments on the quality of our service and support, the operation of our schemes and the extent of cover provided by our policy.

All complaints are fully investigated and where appropriate, are referred to independent third parties for an unbiased view. In the unlikely event that you have a complaint or grievance to air, please contact us at: Customer Care, Professional Fee Protection Ltd, PFP House, 5 Sylvan Court, Basildon, Essex SS15 6TH.

If you are not satisfied with the way your complaint has been dealt with you can contact the Managing Director at the above address. Finally, if the matter remains unresolved, once all of the above have been contacted, if you are eligible you may be entitled to approach The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. For more information visit; www.financial-ombudsman.org.uk

If you complain it will not affect your legal rights.

Data Protection

To the extent that PFP stores, processes and transfers any personal data to which the provisions of the Data Protection Act 2018 ("DPA") apply (Personal Data") in connection with this policy, the following provisions shall apply.

PFP, as a "Data Controller" for the purposes of the DPA, is bound by the requirements of the DPA. PFP have put in place a data protection policy. We undertake to
ensure that any Personal Data gathered under the terms of this policy will be processed in accordance with the requirements of the DPA.

For details on how PFP handle your data please refer to the "Fair Processing Notice" which is available to view on our website using the following link;
www.pfponline.com/fair-processing-notice/

PFP may respond to enquiries by the Police or other law enforcement agencies concerning your policy in the normal course of their investigations.

The data may be made available to other PFP associated or group companies in order that they may make you aware of other products or services available through the PFP group. PFP may occasionally contact you with details of our products, events or seminars we are holding, or PFP may send you publications or newsletters which PFP believe may be of interest to you. If you do not wish to receive this information, please let PFP know.

Where it is necessary to administer the policy effectively, or to protect your interests or those of PFP and the Insurer, we may disclose the data you have supplied to other parties such as solicitors, loss adjusters and other insurers.

It is important that the data you have supplied is kept up to date. You should therefore notify us promptly of any changes. You are entitled upon payment of an administration fee to inspect the personal data, which we are holding about you. If you wish to make an inspection, you should contact PFP.

Please note that any information provided to us will be processed by us and our agents in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties. We may also send the information in confidence for process to other companies acting on their instructions including those located outside the European Economic Area.

Compensation Scheme

International General Insurance Company (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation if International General Insurance Company (UK) Limited is unable to meet its obligations to you under this contract. Further information is available by phone on

0207 741 4100 and on their website at www.fscs.org.uk

Tel: 0207 741 4100 or 0800 678 1100

Email: enquiries@fscs.org.uk

Contact us

If you need to speak to one of our experts please contact us via any of the following methods

T: 0345 307 1177

E: If you have a question email info@pfp.uk.com
or to make a claim claims@pfp.uk.com

W: www.pfponline.com

Professional Fee Protection
Freepost RLYB-ZKYR-UJBB
Southfields Business Park
Basildon, SS15 6TH

Policy Document

Affinity Group Members

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www.pfponline.com

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