



## ***Tax Probe Plus® product for SMEs to combat ATO compliance drive***

### ***Lower premiums and extensive coverage for tax audits***

Vero Insurance Limited (Vero) has Tax Probe Plus® cover for professional fees incurred by SME's when complying with audits.

The ATO has dramatically boosted the number of field auditors and announcing plans to visit close to a quarter of SME's and run compliance checks on 10% of micro-businesses over the next year. Self-managed superannuation funds have also come under close scrutiny in the ATO's compliance drive.

Legal and accounting fees incurred by SMEs – defined by the ATO as businesses having turnover \$2-100 million - responding to official audits can run to tens of thousands of dollars.

Vero's Tax Probe Plus® product includes:

- Removing inner limits relating to GST Tax Return, record keeping and legislation audits. This means SMEs will be able to claim up to the maximum of the limit of cover chosen for their Tax Probe Plus® policy in the event of having to respond to any of these audits.
- Options to include cover for audits of self-managed superannuation funds and special ATO fact-finding investigations.
- Extra benefit to cover additional expenses such as overtime, travel and accommodation incurred while responding to an audit.
- Extending the time limit for tax returns, so that insured SMEs can lodge returns up to three months late and still remain covered.
- A review of pricing, with increased discounts for SMEs who add a Tax Probe Plus® policy to an existing Vero Enterprise package, and price reductions for stand-alone Tax Probe Plus® policies.

Vero's General Manager of SME Products, Rob Walters said the Tax Probe Plus® product is compelling to SME customers in the face of ever-closer scrutiny of tax compliance.

"In most cases our SME customers will be able obtain greater coverage for a lower premium," Mr Walters said.

"Tax Probe Plus® should be an indispensable element of any SME business planning. The ATO has made it very clear that 2.6 million SMEs nationally may be targeted for tax audits, while other Government agencies are stepping up their monitoring of compliance on a range of issues," he said.

“The likelihood of a given SME being subjected to an audit, and incurring heavy professional fees as a consequence, has never been higher.”

In 1991 Vero became the first insurance company in Australia to launch a product to protect businesses against costs associated with tax audits. Vero’s record of claims made by Tax Probe Plus® customers in recent years show a diverse range of companies incurring audit costs of from several thousand dollars to more than \$90,000. Examples include:

<b>Business</b>	<b>Turnover</b>	<b>Premium</b>	<b>Audit Period</b>	<b>Fees Claimed</b>
Clothing retailer and car-park operator	>\$10 million	\$1,200	Oct 01-Mar 02	\$91,000
Medical company	> \$5 million	\$600	Oct 01-Jan 02	\$40,179
Property owners	< \$1 million	\$400	Feb-Jun 02	\$13,729
Grocers	< \$1 million	\$450	Aug-Nov 02	\$5,391
Carpet shop	> \$3million	\$400	Nov 03-Mar 04	\$3,873
Car wash	< \$1 million	\$250	Jul-Nov 04	\$14,000
Publisher	< \$2 million	\$300	Jul-Oct 04	\$9,100
Electrical goods retailer	< \$1 million	\$220	Jan-Mar 04	\$7,000