SPECIALTY

oneglobal

Deal-enabling, value-protecting solutions for corporate transactions

Over the last decade, Transactional Risks (TR) insurance products have become essential tools for dealmakers. TR is now a well-established, multi-billion dollar, dynamic, international insurance class. TR products help to preserve asset value, and unblock difficult, high stakes negotiations. They are increasingly low cost and user-friendly. The claims data is compelling – TR insurance responds when required.

Tax Liability Insurance

When to use it:

- ☑ Whenever you identify a low or medium probability (but high potential quantum) tax contingency – an uncertain, ambiguous tax position.
- ☑ Tax insurance frequently features in M&A, (re-)financings, restructuring and insolvency proceedings, company migrations and day-to-day tax / balance sheet management.

What it covers:

- ☑ A future scenario where a tax authority identifies and challenges your tax position, potentially leading to a large tax liability.
- ☑ Tax insurance covers the amount of additional tax payable. It will usually also cover interest, penalties and defence costs.
- ☑ Almost all types of tax can be insured, so long as the risk boils down to a question of interpretation. It does not cover tax evasion practices.

Key benefits:

- In an M&A context, Tax insurance is used as an alternative to a purchase price chip, specific tax indemnity or escrow arrangement. It is a tool to resolve material risk allocation issues holding up negotiations.
- By ring-fencing contingent tax liabilities, Tax insurance can help to facilitate the release of capital.

Learn more about our global solutions at **oneglobalbroking.com**