

Transactional Insurance Solutions

Tax Opinion Liability (Tax Bonds)

The viability of many transactions can often depend on specific tax treatment. Unforeseen post-completion tax liabilities can adversely affect the basis upon which the original transaction was conceived.

Tax Opinion Liability insurance can assist both Buyers and Sellers in ring-fencing liabilities arising out of the failure of an M&A transaction to qualify for its intended tax treatment.

Tax Opinion Liability insurance can also be utilised to assist with the tax implications that can often arise from a corporate restructuring.

The policy is designed to dovetail with the tax opinion provided by the legal and accounting advisers, by ensuring that the maximum tax payable by the insured reflects that of the opinion obtained.

This in turn then makes the insured significantly more attractive to potential purchasers.

At Towergate Risk Solutions we have a dedicated Insurance and Risk Due Diligence team experienced in working with Financiers, such as Venture Capitalists/Private Equity Companies, Hedge Funds and other Financial Institutions.

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