

# MARKET BULLETIN

REF: Y4595

<b>Title</b>	Iceland – Revised handling procedures for stamp duty and parafiscal charges
<b>Purpose</b>	To inform underwriters, brokers and coverholders of the changes to the handling procedure for stamp duty and parafiscal charges in relation to risks located in Iceland
<b>Type</b>	Event
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<b>Date</b>	1 June 2012
<b>Deadline</b>	With effect from 1 October 2012
<b>Related links</b>	<a href="http://crystal.lloyds.com/Search">http://crystal.lloyds.com/Search</a>

This bulletin advises the Market of changes to the administrative procedures for handling stamp duty on Icelandic risks and parafiscal charges payable in relation to fixed and moveable property risks in Iceland. The change of procedure is due to the Icelandic authorities regularising the application and administration of the charges.

With effect from 1 October 2012 stamp duty and parafiscal charges on all affected business must be collected and paid through to syndicates.

The change impacts all business incepting on or after 1 October 2012 presented to Xchanging on or after that date. Additional premiums and return premiums with an effective date on or after 1<sup>st</sup> October 2012 will also be subject to the change. Business incepting prior to 1 October 2012 remains unaffected. Please see Crystal for further details.

The following charges are impacted:

## Stamp duty

- Stamp duty is payable by the insured and administered by underwriters.
- It applies to certain types of insurance contracts.
- It does not apply to reinsurance.
- It is calculated by reference to either the sum insured or by reference to the premium.

**Building Safety Fee (BSF) / Catastrophe Fee / Prevention Tax (Avalanche and Landslide Tax)**

- The Building Safety Fee, Catastrophe Fee and Prevention Tax (Avalanche and Landslide Tax) are payable by the insured and administered by underwriters.
- They apply to fixed and movable property risks where fire is a covered peril, whether a pure fire insurance or where included in a package policy, (excluding livestock, aircraft and ships).
- They do not apply to reinsurance.
- They are calculated by reference to sum insured.

**Valuation Fee**

- The Valuation fee is payable by underwriters.
- The fee applies to fixed and movable property risks where fire is a covered peril, whether a pure fire insurance or where included in a package policy, (excluding livestock, aircraft and ships).
- The fee does apply to reinsurance.
- It is calculated by reference to sum insured.

Please see Crystal for the current rates and for details on how each charge is calculated.

Brokers and underwriters should note that where these charges apply they will have a significant impact on the total premium charged to the insured and in some cases will exceed the net of tax premium.

The charges will be centrally administered via the central taxes system and settled by Lloyd's Tax Department. Xchanging will be checking that the charges have been correctly recorded on the Market reform contract and associated documentation.

Managing agents will be advised of collections in the normal way and will be able to identify the charges on their Central Accounting Advices using the cost category CHG and tab reference 435.

If you have any queries on the content of this Bulletin please contact:

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