

## MARKET BULLETIN

REF: Y4596

<b>Title</b>	Manitoba (Canada) – Introduction of retail sales tax (RST)
<b>Purpose</b>	Underwriters, brokers and coverholders to note and action the introduction of retail sales tax in Manitoba
<b>Type</b>	Event
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<b>Date</b>	1 June 2012
<b>Deadline</b>	Effective from 15 <sup>th</sup> July 2012
<b>Related links</b>	<a href="http://crystal.lloyds.com/Search">http://crystal.lloyds.com/Search</a>

This bulletin advises the Market of the introduction of retail sales tax (RST) in Manitoba (Canada).

The Manitoba Government introduced RST on insurance contracts in the April budget this year and only recently confirmed the date of introduction as 15 July 2012.

RST will be chargeable on premiums due in relation to taxable insurance contracts incepting on or after 15 July 2012.

Taxable insurance contracts are defined as contracts covering risks, perils or events in Manitoba. Exemption from RST applies to reinsurance and also to certain classes of insurance details of which will be published on Crystal in due course.

RST is a charge borne by the insured and is currently charged at a rate of 7% on the premium paid by the insured.

RST will not be due on additional premiums charged in relation to contracts incepting prior to 15<sup>th</sup> July 2012 and not claimable in respect of return premiums where the tax was not charged on the original premium.

It is expected that tax will be collected by brokers and settled locally by Canadian brokers where one is involved or where there is no Canadian broker involved settled by Lloyd's tax department centrally. Confirmation as to how the tax will be administered will be published on Crystal when arrangements are finalised.

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

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