

MARKET BULLETIN

REF: Y4605

Title	St Kitts & Nevis – Revised Premium Tax handling procedures
Purpose	Underwriters, brokers and coverholders to note and action changes to the handling procedure for Premium Tax in relation to risks located in St Kitts & Nevis
Type	Event
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Deadline	With effect from 1 August 2012
Related links	http://crystal.lloyds.com/Search

This bulletin advises the Market of the changes to the administrative procedures for handling Premium tax in St Kitts & Nevis. The change is due to the St Kitts & Nevis Inland Revenue requiring Lloyd's underwriters to centrally account for the Premium tax on all business placed at Lloyd's either on a direct basis or via a local intermediary.

The change impacts all St Kitts & Nevis business incepting on or after 01 August 2012 presented to Xchanging on or after that date. Additional premiums and return premiums with an effective date on or after 01 August 2012 will also be subject to the change. Business incepting prior to 01 August 2012 remains unaffected.

Premium tax is payable by the insured and applies to St Kitts & Nevis insurance risks but not reinsurance and is calculated by reference to the premium paid by the insured.

A St Kitts & Nevis risk is defined as follows:

- long term insurance business, a policy issued or effected by Lloyd's on the life of a person resident in St Kitts & Nevis at the time the policy was issued or effected,
- property insurance business, a policy issued or effected by Lloyd's upon property situated in St Kitts & Nevis at the time the policy was issued or effected, and,

- any other class of insurance business, a policy issued or effected by Lloyd's where the risks covered by the policy are ordinarily situated in St Kitts & Nevis at the time the policy was issued or effected.

Please note that the registration of a vessel as St Kitts & Nevis does not on its own make the risk a St Kitts & Nevis risk.

For current rates of tax and details on how the tax should be shown on documentation please refer to Crystal.

Xchanging will be checking that the tax has been correctly recorded on the Market reform contract and associated documentation.

Premium tax will be centrally administered via the central taxes system and settled by Lloyd's Tax Department. Managing agents will be advised of collections on their Central Accounting Advices under the cost category CHG, tab reference 433.

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

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