

Market Bulletin

Ref: Y5141

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| Title | EU/EEA Insurance Premium Tax Reporting Requirements |
| Purpose | To remind Lloyd's underwriters and brokers of their premium tax reporting obligations |
| Type | Event |
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| Date | 8 December 2017 |
| Deadline | This guidance has effect from 1 January 2018 |

Due to the increase in insurance premium tax reporting requirements in EU/EEA countries, from 1 January 2018 it will be necessary for Xchanging to capture all exempt business and taxable business where the tax is paid by the lead or a third party. This requirement will apply to all EU/EEA insurance risks (reinsurance is excluded).

The premium tax position should always be clear on the insurance documentation presented to Xchanging. Where an exemption from premium tax has been claimed, the reason for exemption must be easily identifiable from the MRC or other documentation.

In the case of a co-insurance arrangement where the lead underwriter (non-Lloyd's) can and has taken responsibility for handling local taxes, this business may only be processed without tax with the explicit agreement of the Lloyd's underwriter. The insurance documentation should identify the taxes due and confirm that they have been handled by the lead underwriter or a third party acting on their behalf.

Where the tax position is not clear on the insurance documentation, Xchanging will query, for open market business from 1 April 2018, and for binding authority business from 1 July 2018. Failure to provide complete information will result in Xchanging rejecting the work package, leading to potential delays to the premium being processed.

It is the Lloyd's underwriter's responsibility to ensure that satisfactory information is captured and failure to do so will result in them becoming liable for any taxes assessed.

For further guidance on the application of premium taxes please see Crystal. If you have any questions or require further information please contact:

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