

Market Bulletin

Ref: Y5188

Title Revised Spanish premium tax reporting requirements

Purpose To advise Lloyd's underwriters and brokers of new tax reporting requirements for certain Spanish regions

Type Event

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Related links

From 1 July 2018, Lloyd's are required to declare risks located in the Spanish regions of Navarra, Alava, Guipuzcoa and Vizcaya and ensure the premium tax is paid to the correct regional authority. The Consorcio charges and the Fire Brigade Charges are not required to be reported or paid at regional level.

This follows an official request from the Government of Navarra to disclose any insurance transactions and pay taxes due in relation to risks located in Navarra. Historically, these premium taxes, as well as the other regions that require local payment, were paid to the Madrid tax authorities.

It is the responsibility of the Lloyd's underwriter to ensure that, for risks located in the regions shown below, the region is recorded in the tax section of the insurance documentation or tax schedule presented to Xchanging:

- Spain Navarra (NV)
 - Spain Alava (AL)
 - Spain Guipuzcoa (GU)
 - Spain Vizcaya (VZ)
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Where the risk is located in one of the four affected regions, Xchanging have been instructed to record this information. For risks located in the rest of Spain, no additional information is required as it will be assumed the risk is not located in one of the four affected regions.

These changes will apply to all new policies incepting on or after 1 July 2018. Additional premiums and return premiums attaching to policies incepting before 1 July 2018 should be processed in line with the original premium.

Navarra Risks – additional reporting from 1 July 2018

For risks located in Navarra the following information is required to be captured in addition to the risk location.

- Insured identification number (NIF – see below)
- Insured address and postcode

The above information should be included on the insurance documentation presented to Xchanging.

Format of the NIF

For (i) Spanish citizens, the NIF is the ID number plus one letter; (ii) Spanish entities, it consists of a letter followed by 8 digits (the letter represents the type of entity, the most common being “A” for Sociedad Anónima or SA and “B” for Sociedad Limitada or SL and (iii) foreign people residing in Spain, it consists of an 'X' followed by 7 or 8 digits and then another letter.

Further information

After 1 January 2019, failure to provide the required information will result in Xchanging querying the work package, leading to potential delays to the business and premium being processed.

For further guidance on the application of Spanish premium tax please consult Lloyd’s Crystal or contact Lloyd’s Tax Department:

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