

Example

If Lloyd's Italian premium tax liability for 2004 (other than on third party motor) was €50m, the total advance payment due in November 2005 would be €6.25m (i.e. €50m x 12.5%). Assuming that Syndicate X's share of the relevant 2004 calendar year business was 2%, and that a further 4% of the business was written by syndicates whose last year of account was 2003 or prior, Syndicate X would have to fund €130k (i.e. €6.25m x 2% / 96%).

Advance payment refund mechanism

It is intended that the total advance payment will be refunded to syndicates in the April following the November in which it was collected. Syndicates will be notified of the refunds at least 5 days in advance.

Readership and Contact Details

This bulletin is being sent to all managing agents, underwriters and Lloyd's brokers. If you have any queries please contact –

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