

MARKET BULLETIN

From	Manager, Financial Processing Financial Control (extn 2920)
Date	25 January 2007
Reference	Y3960
Subject	CHANGES TO THE PROCESSING CURRENCIES FOR LLOYD'S CENTRAL ACCOUNTING CHARGES (ARCS)
Subject areas	
Attachments	Appendix 1, 2, 3a, 3b and 3c
Action points	Managing Agents to note change of processing currencies
Deadlines	

This bulletin is to advise Managing Agents that the method of processing Lloyd's charges and Overseas Trust Fund adjustments, settled via the Lloyd's Central Accounting system is being amended to incorporate the Currency Conversion Service (CCS).

Charges

From February 2007 charges currently collected in sterling and used to fund payments to third parties e.g. international taxes, in a Lloyd's settlement currency, will be collected in the relevant settlement currency. Syndicates that participate in the CCS settlement will continue to settle in sterling however non-participating syndicates will settle in currency. The timetable for charges affected by this change is attached at appendix 1.

Changes have also been made to the relevant standard ARCS advice to include a settlement table. This will provide syndicates who use the CCS with the sterling amount being settled as well as the bid/offer exchange rates applied. An example of the new advice is shown at appendix 2.

Overseas Trust Funds

The quarter 4 2006 adjustments will be settled outside the CCS, as previously. However, the adjustments due in respect of quarter 1 2007 for Australia and South Africa, timetabled to be settled in May 2007, will be submitted for settlement in local currency. Syndicates

using the CCS will settle in sterling while those with accounts in AUD or ZAR will settle in currency.

Changes have also been made to the advices issued in respect of the adjustment to the Overseas Trust Funds. Where amounts being settled have been converted via the CCS, the sterling amount and the bid/offer exchange rates applied will be shown. An example of the revised .pdf file with the added detail highlighted is attached at appendix 3a. The .csv file includes an additional field at the end showing the sterling amount if applicable. Examples of the new .csv file as an excel spreadsheet and the .csv file specification are attached at appendix 3b and 3c. In line with the current standardised report formats of both type of report any fields that are not required for a particular deposit/entry will be left blank. Managing Agents should note that the new format reports will be used in relation to the quarter 4 2006 adjustments with the new fields left blank.

Any queries concerning this bulletin should be addressed to Carolyn Smith, Lloyd's extension 2922 or by e-mail to <mailto:carolyn.m.smith@lloyds.com>

This bulletin has been sent to all managing agents.

Alison Mings
Manager, Financial Processing
Financial Control

2007 ARCS COLLECTIONS SWITCHING PROCESSING CURRENCY

Collection Name	Frequency	Previous Settlement Currency	New Processing Currency
<u>WWM Collections</u>			
GAREAT Pool contribution	Quarterly	GBP	EUR
Reinsurance Premiums to ARPC	Quarterly	GBP	AUD
<u>Taxation Collections</u>			
Australia Direct Assured Tax	Quarterly	GBP	AUD
Australia Insurance Protection Tax	Quarterly	GBP	AUD
Austrian Premium Tax	Monthly	GBP	EUR
Belgium Premium Tax	Monthly	GBP	EUR
Cyprus Stamp Duty	TBA	GBP	EUR
Denmark Stamp Duty	TBA	GBP	DKK
Finland Premium Tax	Monthly	GBP	EUR
French Premium Tax	Monthly	GBP	EUR
French Polynesia	Annual	GBP	EUR
German Premium Tax	Monthly	GBP	EUR
Greek Premium Tax	Monthly	GBP	EUR
Irish Stamp Duty & Government Levy	Quarterly	GBP	EUR
Italian Premium Tax	Monthly	GBP	EUR
Italian Premium Tax Prepayment	1 collect/1 pay	GBP	EUR
Luxembourg Premium Tax	Quarterly	GBP	EUR
Monaco Premium Tax	Quarterly	GBP	EUR
Netherlands Premium Tax	Monthly	GBP	EUR
Portuguese Stamp Duty	Monthly	GBP	EUR
Slovenia Premium Tax	TBA	GBP	EUR
Spanish Premium Tax	Monthly	GBP	EUR
France IS Tax 2006	As req'd	GBP	EUR

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ACCOUNT HOLDER: XXXX
TEST MANAGING AGENCY
TEST OVERSEAS PREMIUM TAX
FOR JANUARY TO DECEMBER 2007

CHARGE CURRENCY: EUR
SETTLEMENT DATE: 18 Feb 2007
INVOICE NUMBER: SNP00000001
TAX POINT: 12 Feb 2007

DESCRIPTION		AMOUNT	VAT RATE	VAT AMOUNT
Syndicate A	Account Year			
	2004	-598.22	NA	0.00
	Syndicate Total	-598.22		0.00
Syndicate B	2005			
	2006	391.00	NA	0.00
	Syndicate Total	-53.88	NA	0.00
Syndicate C	2005	-337.12		0.00
	Syndicate Total	757.55	NA	0.00
		757.55		0.00
AMOUNT		496.45	VAT AMOUNT	0.00
INVOICE TOTAL			496.45	

AREA RESEVED FOR FOOTNOTES AND CONTACT DETAILS

SETTLEMENT		EUR	GBP (CCS)
Syndicate A	2004		-400.17
	Syndicate Total		-400.17
Syndicate B	2005		
	2006		261.70
	Syndicate Total		-36.04
Syndicate C	2005		225.66
	Syndicate Total	757.55	
		757.55	
TOTAL		757.55	-174.51
Debit Exchange Rate 1.494000			
Credit Exchange Rate 1.494900			

LLOYD'S AUSTRALIAN TRUST FUND

QUARTER THREE 2007

TAB xxx

ACCOUNT HOLDER: XXXX
 MANAGING AGENT: TEST MANAGING AGENCY
 SYNDICATE: XXXX
 CURRENCY: AUD

Note 1: Total return for Period
 Income: 1.74%
 Capital: -0.22%
 Total: 1.52%

		<i>Year of Account</i>												
		1995 and prior	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
Market Value (B/F)	30/06/2007									-5,064.08	697,965.35	3,359,773.49	1,281,552.92	5,334,227.68
Investment Return 1:														
Income 0.76% (Note1)	01/07/2007 - 09/08/2007									-38.45	5,299.39	25,509.53	9,730.36	40,500.83
Capital -0.25% (Note1)	01/07/2007 - 09/08/2007									12.79	-1,761.80	-8,480.67	-3,234.87	-13,464.55
Tax	01/07/2007 - 09/08/2007													
Market Value	09/08/2007									-5,089.74	701,502.94	3,376,802.35	1,288,048.41	5,361,263.96
Revision :														
Net Adjustment	10/08/2007									5,064.08	-327,466.86	1,984,127.35	1,030,518.49	2,692,243.06
Revised Market Value	10/08/2007									-25.66	374,036.08	5,360,929.70	2,318,566.90	8,053,507.00
Investment Return 2:														
Income 0.98% (Note1)	10/08/2007 - 30/09/2007									-0.25	3,664.32	52,519.42	22,714.31	78,897.80
Capital 0.03% (Note1)	10/08/2007 - 30/09/2007									-0.01	126.66	1,815.26	785.10	2,727.01
Tax	10/08/2007 - 30/09/2007													
Market Value (C/F)	30/09/2007									-25.92	377,827.06	5,415,264.38	2,342,066.31	8,135,131.83
Adjustment Due :														
Min Funding	30/09/2007										609,343.87	4,616,294.44	3,523,822.31	8,749,460.62
Adjustment Due Currency	09/11/2007									25.92	231,516.81	-798,969.94	1,181,756.00	614,328.79
Settlement Due GBP	09/11/2007									10.52	93,936.87	-323,692.40	479,492.01	249,747.00

Date of Issue Settlement per YOA Debit Exchange Rate 2.464600 Credit Exchange Rate 2.468300

File Specification of OTF Statement CSV File

appendix 3c

Field Name	Description	Data Type	Characters	May be blank
ACCOUNT HOLDER	Account Holder	text	4	no
SYNDICATE NO	Syndicate Number	text	4	no
DEPOSIT NO	Tab Number for Central Accounting	numeric	3	no
REPORTING DATE	End date of instalment/quarter	date		no
YOA	Year of Account	numeric	4	no
CURRENCY	Currency code	text	3	no
FUND	Banking Trust fund Code e.g LDTF	text	4	yes
MKT VALUE B/F	Market value brought forward	money		yes
REGULATORY VALUE B/F	Regulatory value brought forward	money		yes
FUNDING REQUIREMENT B/F	Funding requirement brought forward	money		yes
TOTAL INCOME	Total income earned in quarter	money		yes
TOTAL CAPITAL	Total capital earned in quarter	money		yes
TOTAL TAX	Total tax paid in quarter	money		yes
MARKET VALUE C/F	Market value carried forward	money		yes
REGULATORY VALUE	Regulatory value for this quarter	money		yes
FUNDING REQUIREMENT	Funding requirement for this quarter	money		yes
ADJUSTMENT AMOUNT	Fund adjustment for this quarter	money		yes
ADJUSTMENT DATE	Date adjustment made by Central Accounting	date		yes
RATE OF EXCHANGE	Bid/Offer Exchange rate applied	float (no fixed dp)		yes
TOTAL INCOME PERCENTAGE	Percentage income growth for quarter	fixed decimal (2dp)		yes
TOTAL CAPITAL PERCENTAGE	Percentage capital growth for quarter	fixed decimal (2dp)		yes
GBP SETTLEMENT AMOUNT	Sterling adjustment for CCS participants	money		yes