

MARKET BULLETIN

REF: Y4806

Title	Foreign Account Tax Compliance Act ("FATCA")
Purpose	To set out how Lloyd's is meeting FATCA requirements
Type	Event
From	Simon Claydon Head of Tax simon.claydon@lloyds.com
Date	27 June 2014
Deadline	None
Related links	Lloyd's FATCA page IRS FATCA home page IRS FATCA forms and instructions HMRC FATCA pages

Lloyd's has reached agreement with the US Internal Revenue Service ("IRS") that the provision of a single Form W-8IMY with a Lloyd's QI (defined below) tax identification number will be sufficient for FATCA purposes to cover

- payments of insurance premium made by brokers etc to any and all Lloyd's syndicates
- syndicate-level premium trust fund assets held with various banks and custodians (note though that the Form W-8IMY will need to be tailored to the syndicate concerned, see below).

Where can I get the Lloyd's W-8IMY?

The Lloyd's Form W-8IMY is available on the Lloyd's FATCA webpage (link above).

Introduction

[Market Bulletin Y4718](#) dated 2 September 2013 explained that Lloyd's was engaged in discussions with US Treasury and IRS about the application of FATCA to the Lloyd's market.

The agreement we have now reached for a single Form W-8IMY is consistent with Lloyd's long history of reporting tax information to the Internal Revenue Service ("IRS") in aggregate on behalf of Lloyd's members.

Insurance premiums

It has been agreed with the IRS that Lloyd's will continue to act as a Qualified Intermediary ("QI") and will assume primary withholding and reporting responsibility with respect to insurance premiums paid by brokers etc to Lloyd's syndicates.

As a result, Lloyd's will be classified as an excepted Non-Financial Foreign Entity ("NFFE") and a single Form W-8IMY – the form applicable for intermediaries – with the normal penalties-of-perjury attestation will be sufficient to cover payments of insurance premium made by brokers etc to any and all Lloyd's syndicates. No withholding or allocation statement should need to be provided by Managing Agents as Lloyd's will do all reporting necessary in relation to the premium.

Coverholders and Service Companies

Coverholders and Service Companies will not be covered by the Lloyd's W-8IMY in their own right. They should provide their own Form W-8 (or W-9 if a US person) and, if necessary, the Lloyd's Form W-8IMY to withholding agents.

Syndicate premium trust fund assets and Funds in Syndicate (FIS)

Procedures set out in [Market Bulletin Y3021](#) 31 March 2003 still apply.

Lloyd's has been a QI in relation to syndicate-level accounts held at financial institutions for many years and Lloyd's Tax Operations in Chatham has provided Forms W-8IMY to Managing Agents as necessary, tailored to detail the specific accounts covered by it. Tax Operations has managed all reporting and any US withholding required has been dealt with through the Member's US Federal Income Tax return.

Requests for Forms W-8 are likely to be received from non-US banks and custodians. The same Form W-8IMY as provided for insurance premium will suffice but will need a covering statement detailing the accounts to which it applies. Managing Agents should be familiar with the process for obtaining the Form W-8IMY but should contact Lloyds-Tax-Operations@lloyds.com if they need assistance.

Please note that Lloyd's may not be able to assist Managing Agents to recover US tax withheld should these procedures not be followed.

The Lloyd's Form W-8IMY

Section 5 of the Form W-8IMY released by IRS on 29 April 2014 does not have a specific box for an excepted NFFE, such as Lloyd's, to tick. IRS has suggested Lloyd's add a statement to the W-8IMY certifying our status. The following statement is on page 8 of the W-8 IMY

Underwriters at Lloyd's, London ("Lloyd's") has been a Qualified Intermediary ("QI") with primary withholding responsibility for Chapter 3 purposes for many years, and still is.

Lloyd's is also a NFFE under section 1472 of the Internal Revenue Code and the Treasury regulations thereunder for Chapter 4 purposes. Treasury regulation sections 1.1472-1T(c)(1) and 1.1471-3(a)(i)(A)(1) provide, in relevant part, that payments made to an NFFE that is a QI with primary withholding responsibility for such payments shall be considered made to an excepted NFFE.

Section 5 of Form W-8IMY does not currently contain a specific designation for such excepted NFFEs for Chapter 4 purposes. Based on conversations with Treasury and IRS officials, we attach this statement to the form certifying our status as an excepted NFFE under the regulations.

This single form is therefore sufficient to cover all payments of premium made to any and all Lloyd's syndicates and to confirm no withholding is required. This form also covers syndicate-level accounts held at FFIs.

Funds at Lloyd's

Reporting and withholding on investment income on Funds at Lloyd's is already managed by Market Services and Tax Operations. This will not change.

Members should note that the Lloyd's Form W-8IMY that will apply to insurance premiums and assets in syndicate premium trust funds will not be relevant to assets in Funds at Lloyd's and the income thereon. It should not be used. Market Services will have a different Form W-8IMY that they will supply to withholding agents. No action will be required by Members.

Other Member assets and income

Any assets held by Members outside Lloyd's trust fund arrangements will not be covered by Lloyd's Form W-8IMY. Members will need to provide their own Form W-8 (or W-9 if a US person) to withholding agents.

Frequently asked questions

Lloyd's Tax Team is developing a set of frequently asked questions, and the answers, which will be on the Lloyd's FATCA webpage.

Any questions not covered there should be directed to LloydsTaxFATCA@lloyds.com. If you have not had a response by the end of the following working day please call

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