

Market Bulletin

LLOYD'S

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FROM: Head of Taxation, Taxation Department
LOCATION: TAX/86/441
EXTENSION: 5228
DATE: 25 September 2001
REFERENCE: TAX/DHC/Y2617
SUBJECT: VAT TREATMENT OF SERVICES PROVIDED BY LPSO:
UPDATE
ACTION POINTS: For information

My market bulletin of 14 September informed you that Customs & Excise were reviewing the VAT treatment of services provided by LPSO Ltd. Customs have now completed their review and have confirmed that the services supplied to managing agents are exempt from VAT.

LPSO supplies have historically benefited from the insurance VAT exemption. However, as set out in my earlier bulletin, Customs issued a ruling to Ins-sure Services Ltd earlier this year stating that the exemption should no longer apply. Ins-sure Services Ltd challenged that ruling, and we have worked closely with them to persuade Customs to withdraw it. Following a number of discussions and a visit to LPSO's Chatham offices, Customs have now agreed to set aside their latest ruling and have confirmed that the VAT exemption will still apply.

This bulletin is being sent to all managing agents. If you have any questions please contact Harinder Sandhu on Lloyd's extension 5396 or myself on extension 5228.

David Clissitt
Head of Taxation
Taxation Department