

FROM: International Tax Manager
LOCATION: G4/441
EXTENSION: 6860
DATE: 2 January 2003
REFERENCE: TAX/RER/ln/Y2963
SUBJECT: **ITALY AND SPAIN – CHANGES IN PARAFISCAL CHARGES**
ATTACHMENTS None
ACTION POINTS: **Underwriters and brokers to note**
DEADLINE: Effective immediately

1. Introduction

1.1 This bulletin advises underwriters and brokers of:

- an increase in the contribution to the Solidarity Fund for the Victims of Extortion in Italy;
and
- the replacement of the Spanish CLEA charge with a new CONSORCIO charge.

2. Italy – Solidarity Fund for the Victims of Extortion

2.1 The Italian Government has increased the charge to the Solidarity Fund for the Victims of Extortion from 0.1% to 1%.

2.2 For direct assured business the new rate should be charged on business processed by Ins-sure on or after 14 November 2002. However, as we have just been made aware of the change Xchanging Ins-sure Services will accept the previous rate of 0.1% for three months. This means that for some premiums underwriters will have to bear the additional cost although they can, if they wish, recover the shortfall from the insured.

3. Spain – CLEA and Consorcio

- 3.1 The CLEA charge of 0.5% of gross premium has been replaced by a new Consorcio charge of 0.3% which applies to the same premiums as the CLEA. The exemption for reinsurance, life and export credit funded by the Government continues. The new charge applies to premiums paid on or after 24 November 2002.

4. Readership and contact details

- 4.1 This bulletin is being sent to underwriters, Lloyd's brokers and recognised auditors.
- 4.2 If you have any queries please contact Roger Ramage on 020 7327 6852 (e.mail: Roger.E.Ramage@lloyds.com) or Maureen McLeod on 020 7327 6862 (e.mail: Maureen.C.Mcleod@lloyds.com).

Maureen McLeod
Taxation Department