

MARKET BULLETIN

REF: Y4514

Title	Australia (Victoria) – revised stamp duty handling procedures
Purpose	Underwriters, brokers and coverholders to note and action changes to the handling procedure for stamp duty due in the State of Victoria (Australia).
Type	Information
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Deadline	Changes will be effective from 1 January 2012
Related links	http://www.lloyds.com/Crystal/CrystalSearch.aspx

This bulletin advises the Market of a change to the administrative procedures for handling stamp duty due in the State of Victoria (Australia).

The change is due to the State Revenue Office of Victoria (SROV) requiring Lloyd's underwriters to centrally account for stamp duty on business placed on a direct assured basis, i.e. without the intervention of an Australian intermediary (based in any state).

For reference, the State of Victoria imposes stamp duty on premiums charged in relation to risks located in Victoria. A risk is located in the State of Victoria if it relates to property in Victoria or to a risk, contingency or event concerning an act or omission that, in the normal course of events, may occur within, or partly within, Victoria.

From 1 January 2012 stamp duty on all affected business must be collected from the insured and paid through to syndicates. The duty will be centrally administered and settled with the SROV by Lloyd's Tax Department.

Affected business is business that incepts on or after 1 January 2012 and is presented to Xchanging for processing on or after that date. This includes mid term adjustments with an effective date on or after 1 January 2012 but not returns of premium where the stamp duty was originally handled by the local intermediary or insured.

Business presented to Xchanging for processing prior to 1 January 2012 will not be impacted by the change and any stamp duty due should be handled by the insured or intermediary irrespective of the inception date of the business.

Where stamp duty is being paid through to underwriters the duty should be clearly noted in the Risk details section of the MRC under "Taxes payable by the insured and administered by insurer(s)".

Xchanging will be monitoring these changes and will query signings where stamp duty has been incorrectly treated or the risk location is not clear.

Please note that the changes only apply to Victoria business placed without the intervention of an Australian intermediary. Where there is an Australian intermediary involved the arrangements remain unchanged, as do the arrangements for stamp duty due in relation to Australian states other than Victoria. The arrangements for handling Australian income tax and fire service levies in all states also remain unchanged.

For up to date information and more details on the procedures for handling stamp duty in Australia please refer to the appropriate tax pages on Crystal on Lloyds.com.

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