

FROM: International Tax Manager
LOCATION: G4/441
EXTENSION: 6860
DATE: 10 April 2003
REFERENCE: TAX/RER/ln/Y3034
SUBJECT: **BELGIAN INCOME TAX: CHANGE OF RATE**
ATTACHMENTS: None
ACTION POINTS: **Underwriters and brokers to note**
DEADLINE: Effective immediately

1. Introduction

- 1.1 The rate of Belgian income tax on Lloyd's business has been reduced to 3.4% of gross premiums. This applies to premiums paid with effect from 1 January 2003.
- 1.2 Belgian income tax is payable on all premiums placed at Lloyd's by Belgian intermediaries who hold a full binding authority, even if the premiums are not written under this authority, i.e. tax is due on all premiums received from these intermediaries. The Belgian intermediary is responsible for paying the tax over to the tax authorities. The rate of tax was 4.017% from 26 July 1993 to 31 December 2002.

2. Procedure for dealing with excess tax withheld since 1 January 2003

- 2.1 The Belgian tax authorities have confirmed that Belgian intermediaries should make an adjustment for the excess tax withheld since 1 January 2003 against the tax to be withheld in the next tax return to be submitted, provided the necessary documentary evidence is added to the return. The Belgian authorities have requested that a copy of the return and documentary evidence is sent to:

M. l'Inspecteur Principal,
Contrôle Bruxelles Etranger Sociétés 1,
Place J. Jacobs 10,
1000 Brussels.

2.2 Recoveries of excess tax should be paid back to Lloyd's underwriters by the Belgian coverholder as soon as possible.

3. Readership and contact details

3.1 This bulletin is being sent to all underwriting agents and recognised auditors. Underwriters should ensure a copy of the bulletin is sent to Belgian coverholders.

3.2 If you have any questions please telephone Roger Ramage on 020 7327 6852 or e:mail roger.e.ramage@lloyds.com.

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