

MARKET BULLETIN

REF: Y4052

Title **2006 FSA RETURN – RECOVERY OF COSTS FOR FSA DATA CAPTURE AND REPORTING SERVICE**

Purpose Recovery of XIS charges incurred by Lloyd's through ARCS system

Type Scheduled

From John Parry, Head, Market Finance, Finance and Risk Management
Contact details: Tel 020 7327 5129 / email john.parry@lloyds.com

Date 5 September 2007

Deadline **Wednesday 19 September 2007**

Related links

The Xchanging Ins-sure Services (XIS) market communication entitled 'The Xchanging Ins-sure Services FSA Reporting Service', reference 2002/091, dated 18 November 2002, set out the various arrangements associated with the provision of data and reports to Market Reporting and managing agents to enable them to complete the FSA returns to Lloyd's. Your attention is drawn to the section entitled 'Reporting Services Costs' on page 4 of the communication, which advised that the various costs associated with the development and provision of this service would be met by Lloyd's, and then subsequently passed on to the market. The provision of this service was agreed by the Lloyd's Market Association (LMA).

As last year, the only costs to be recovered this year are in respect of the collection of data and provision of reporting services to enable the market to meet the reporting requirements of the FSA return, including the provision of reports to the market as at 31 December 2006, which amounted to £166,124, the same figure as the 2005 year end.

The amount of £166,124 is payable to XIS by Lloyd's and needs to be recovered from the market. As compliance with FSA reporting requirements is essential for the ongoing ability for the Society to trade, it is appropriate to recover the cost from syndicates trading for 2006. Accordingly this amount will be recovered from these syndicates pro rata to capacity, and will represent approximately 0.0011% of total capacity of £15,005m. The amounts will be collected from the market using the ARCS system, on 19 September 2007. Please note that these charges attract VAT at the rate of 17.5%.

Any queries regarding this bulletin should be addressed to Gavin Sibbick (gavin.sibbick@loyds.com) or James Matthews (james.matthews@loyds.com).

This bulletin is being sent to the compliance officers of all managing agents and to the LMA for information.

John Parry