

MARKET BULLETIN

REF: Y4157

Title	2007 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	21 May 2008
Deadline	4 June 2008
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 2007, which amounted to £172,968, a small increase on the 2006 figure of £166,124.

The amount of £172,968 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 2007. Accordingly this amount will be recovered from these syndicates pro rata to capacity, and will represent approximately 0.0011% of total capacity of £16,433m.

The amounts will be collected from the market using the ARCS system, on 4 June 2008. 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).

John Parry