

MARKET BULLETIN

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Title	Denmark – Introduction of Insurance Premium Tax
Purpose	To notify underwriters and brokers of the introduction of a new premium tax applicable to Danish risks
Type	Event
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Deadline	Immediate

This bulletin advises the market of the introduction of insurance premium tax in Denmark and the abolition of Danish stamp duty.

The Danish Government recently announced their intention to replace stamp duty with an insurance premium tax. The proposed date of introduction is 1 January 2013.

Insurance premium tax will apply to risks located in Denmark on policies incepting on or after 1 January 2013, please note that standard EU location of risk rules apply.

The rate of tax is a fixed rate of 1.1%.

In principle premium tax will apply to property, motor, financial loss and casualty risks but exemption will apply to reinsurance, accident at work, life, marine, aviation and transport (transit) insurance. Full details on the types of risk subject to tax and the exemptions will be published on Crystal.

The insurance premium tax charge will be levied on the insured, i.e. the tax will be an addition to premium.

Unless otherwise advised all taxable business incepting on or after 1 January 2013 will be subject to premium tax.

Premium tax will be administered via the Central taxes system so tax collected from the insured by brokers must be passed to underwriters along with the premium. This applies irrespective of there being a local Danish broker or coverholder involved in the placement.

With effect from 1 January 2013 Danish stamp duty will be abolished.

If you have any queries on the content of this Bulletin please contact:

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