

# MARKET BULLETIN

REF: Y4696

<b>Title</b>	Certificates of Residency - Update
<b>Purpose</b>	To update Brokers and Managing Agents on changes to the procedures for obtaining Certificates of Residency for Lloyd's syndicates originally notified in Market Bulletin Y4658 dated 21 December 2012
<b>Type</b>	Provision of guidance
<b>From</b>	Mark Edwards, Head of Tax, Taxation, Finance and Operations +44 (0)20 7327 6839 <a href="mailto:Mark.Edwards@lloyds.com">Mark.Edwards@lloyds.com</a>
<b>Date</b>	28 May 2013
<b>Deadline</b>	
<b>Related links</b>	<a href="http://www.lloyds.com/the-market/tools-and-resources/tools-e-services/crystal">http://www.lloyds.com/the-market/tools-and-resources/tools-e-services/crystal</a> <a href="http://www.lloyds.com/the-market/operating-at-lloyds/tax-department">http://www.lloyds.com/the-market/operating-at-lloyds/tax-department</a>

## Purpose

To update managing agents and brokers on revisions to procedures outlined in Market Bulletin Y4658 published on 21 December 2012, in respect of Mexico and to provide an update on Vietnam, Argentina and Greece. To add details of additional countries where certificates are required and also to provide details of procedures going forward.

The information within the bulletin is based on LTD's current understanding of the position but if LTD becomes aware of additional requirements Crystal will be updated.

## Revised procedures

A current list of countries for which tax residence certificates are required will be made available in the tax area of Lloyds.com by 7 June 2013 and can be located using the following link: - <http://www.lloyds.com/the-market/operating-at-lloyds/tax-department>. Full details of the requirements will also be available in Crystal by selecting the relevant country. Further changes will **not** be notified by market bulletin. Agents should refer to Crystal for the current position. If additional countries are added to the list where a pdf is acceptable, LTD will ensure that pdf certificates are provided to the managing agent. For

2014 new certificates will be available by mid-January 2014 for all countries where a pdf version should be acceptable.

## **Mexico**

### Background

Market Bulletin Y4658 set out new procedures in respect of the way in which certificates of residence would be provided to the market. As the procedures have been operational for 5 months it has become clear that some changes would benefit the process for Mexico.

LTD has obtained agreement from the Mexican Tax Authority (SAT) to use pdf copies of the certificate of residence on the understanding that LTD would supply original certificates if they were required on audit. Unfortunately, some cedents are unwilling to accept pdf versions of the certificates. In order to assist with this issue LTD has arranged for a local law firm, Barrera, Siqueiros y Torres Landa, S.C (BSTL), to hold the original certificates from which certified copies can be obtained.

### Procedure

LTD will continue to provide pdf copies of the certificates to managing agents. Should cedents or brokers require a pdf copy a request should be made directly to the managing agent.

Where a certified copy of the original certificate is required then the following process has been established.

1. The cedent or broker must submit a request for a notarised copy to BSTL. The request should be submitted by email to Carlos Ramos Miranda [and](mailto:cramosmiranda@bstl.mx) Alejandra Parra at [cramosmiranda@bstl.mx](mailto:cramosmiranda@bstl.mx) and [aparra@bstl.mx](mailto:aparra@bstl.mx). BSTL will acknowledge receipt of the request and confirm the estimated response time, together with details of the cost of the certificate.
  - The cost of the notarised copy must be met by the cedent or broker making the request and payment will need to be made directly to BSTL by the cedent/broker. A fee of US\$300 per request, plus notarisation costs, will be charged for each request for notarised copies. The notarisation costs will be US\$20 dollars per page for the initial three pages of the total package of documents notarised, and US\$2 dollars per each additional page.
2. Before complying with the request, BSTL will verify that the cedent has a (re)insurance policy with a Lloyd's syndicate. The cedent will be required to produce documentary evidence of this, e.g. a copy of the policy document, a letter from the broker or other reasonable evidence. In addition BSTL will also require the relevant payment.
  - BSTL will also accept requests from brokers provided they can demonstrate that they are placing business with Lloyd's syndicates.

- Requests for a copy of the full set of certificates covering all syndicates will be granted, provided the person making the request can provide reasonable justification of this.
3. Once a request has been validated, BSTL will arrange for a notarised copy of the original certificates for the relevant Lloyd's syndicates to be prepared.

The notarised copy will either be sent to the cedent/broker by post or it can be collected from BSTL's offices at the following address:

Barrera, Siqueiros y Torres Landa, S.C.  
Paseo de los Tamarindos #150-PB  
Bosques de las Lomas  
México, D.F. 05120.

#### Other matters

Pdf copies of certificates were previously made available to cedents and local brokers in Mexico, in future pdf certificates will only be made available to managing agents.

#### **Update on countries where a form is required to be completed in order to claim treaty exemption**

It was originally advised that this affected Indonesia and Vietnam. Updates on this are outlined below. The position for Indonesia is unchanged.

#### Vietnam

Market Bulletin Y4658 states that managing agents must contact HMRC where a certificate of residence is required in respect of Vietnam, since a particular form must be completed. However, the form in question does not have to be signed or stamped by HMRC. Pdf certificates were already included in the pack sent to managing agents in January and therefore managing agents should be in a position to complete the form and attach the certificate of residence.

#### Argentina

To the best of our knowledge a form requires completion by HMRC. An example can be found in the tax section of Crystal. LTD will continue to issue pdf versions of the certificates.

#### Greece

LTD is aware of managing agents being asked, in some cases, for forms to be completed to claim exemption from withholding tax being applied in Greece. However, our understanding is that there is currently no Greek withholding tax applicable to insurance or reinsurance premiums and therefore such forms should not be necessary.

**Certificates of UK tax residence for countries that require and original signed certificate with an apostille attached**

In addition to the countries previously advised: - Azerbaijan, Chile, Kazakhstan, Turkmenistan and Uzbekistan, LTD have become aware that Belarus also requires a certificate of residence with an apostille attached where withholding tax is being applied. For convenience the procedure is set out below.

LTD has provided HMRC with details of the UK tax resident members of each syndicate. Managing agents should contact HMRC directly by e-mail at the following address: - [Support.lbslondon@hmrc.gsi.gov.uk](mailto:Support.lbslondon@hmrc.gsi.gov.uk) to obtain the necessary confirmation required for the purposes of the country-specific form. The following information will need to be provided.

- Nature of the transaction
- Source territory
- Type of income (e.g. dividends, interest, royalties, insurance premium)
- Syndicate name/number
- Managing agent's name and address

**Update on certificates of UK tax residence for countries that do not require an apostille attached to the certificates**

It was originally advised that this affected Argentina (see above), India, Mexico, Pakistan, Philippines, Romania, Spain, Ukraine and Venezuela. However, we have become aware that the following countries also now require certificates of residence where withholding tax is being applied: - Mongolia and Poland. LTD will obtain pdf copies from HMRC and provide these to the managing agents by 7 June 2013.

All other information in market bulletin Y4658 remains unchanged.

**Contacts**

Queries of an administrative nature should be referred to: Sarah Vincent on 01634 392635 or alternatively e-mail [Lloyds-tax-operations@lloyds.com](mailto:Lloyds-tax-operations@lloyds.com). Queries of a technical nature should be referred to: Helen Halliwell on 0207 327 6859 or [Helen.Halliwell@lloyds.com](mailto:Helen.Halliwell@lloyds.com). Requests for certificates with an apostille or for completion of documents: - e-mail [support.lbslondon@hmrc.gsi.gov.uk](mailto:support.lbslondon@hmrc.gsi.gov.uk). Queries of a technical nature for HMRC should be referred to [peter.c.gill@hmrc.gsi.gov.uk](mailto:peter.c.gill@hmrc.gsi.gov.uk)