

## MARKET BULLETIN

REF: Y4700

<b>Title</b>	Grenada – Introduction of New Insurance Levy on Insurance Premiums
<b>Purpose</b>	To notify underwriters and brokers of the introduction of a new levy applicable to Grenadian risks
<b>Type</b>	Event
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<b>Date</b>	31 May 2013
<b>Deadline</b>	1 June 2013

This bulletin advises the market of the introduction of a new 1% levy on insurance premiums in Grenada.

The new levy was enacted under the Insurance (Amendment) Act No. 6 of 2013 and advised by GARFIN (Grenada Authority for the Regulation of Financial Institutions) by way of a gazette issued on 14 May 2013.

- The 1% levy will be applicable to all insurance policies. Exemption applies to re-insurance and long term insurance located in Grenada.
- The levy rate is 1% and applies to all applicable insurance premiums received in respect of new business and renewals processed on or after 1 June 2013, plus any additional premiums processed on or after 1 June 2013.
- Credits will be given in relation to return premium subject to the levy.
- The levy is calculated on the gross premium received.
- The levy is a charge on the insurer.

Lloyd's will collect and pay the levy centrally. It will be collected from syndicates via central accounting.

Managing agents will be advised of the above collections on their Central Accounting Advices under the cost category CHG, tab reference 418.

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**Grenada – Insurance Levy**

**1. What determines whether the levy applies?**

- 1.1 The levy applies to all insurance policies located in Grenada, with the exception of re-insurance and long term insurance business.
- 1.2 The 1% levy will be applied to all insurance policies located in Grenada received in respect of new business and renewals processed on or after 1 June 2013, plus any additional premiums processed on or after 1 June 2013.
- 1.3 Credits will be given in relation to return premium subject to the levy.
- 1.4 Long term insurance business includes the following:
  - contracts of insurance on human life, or contracts to pay annuities on human life;
  - insurance against death and/or personal injury resulting from an accident and/or disease

**2. Who is responsible for collection and payment of the levy?**

- 2.1 It is the underwriters responsibility to assess if the levy is due.
- 2.2 The levy is a charge on the insurer.
- 2.3 The levy will be collected from syndicates by Lloyd’s Taxation Department who will arrange payment to be made to the Grenadian Tax Authorities.

**3. Method of calculation and administration**

<b>Rate of tax</b>	1%
<b>Tax charged to:</b> (i.e. who bears the cost of the levy)	The insurer
<b>Method of calculation</b>	Rate of tax X gross premium
<b>How tax is shown on the slip</b>	The Levy should be shown in the “Fiscal and Regulatory” section of the slip under “Tax payable by insurer(s)”.
<b>Method of payment for Lloyd’s Business</b>	Lloyd’s Taxation Department will collect the levy from syndicates on a monthly basis.