

MARKET BULLETIN

REF: Y4926

Title	German insurance premium tax reporting requirements
Purpose	To remind and advise Lloyd's underwriters and brokers of existing and new tax reporting requirements in Germany
Type	Event
From	Nick Marman, Senior Manager Indirect tax, Tax department, Finance. Direct Tel: +44 (0) 20 7327 6727 Email: nick.marman@lloyds.com
Date	25 September 2015
Deadline	This guidance has immediate effect (but will be enforced via Xchanging checks from 01/01/16)
Related links	

Purpose: To advise the Lloyd's underwriters and brokers of changes to the administration of German insurance premium tax.

In October 2013 the Market was advised of a number of new reporting requirements in relation to German premium tax. These requirements have now been confirmed by the German tax authorities.

In relation to German ship's hull and ship's liability risks the International Marine Organisation (IMO) number of German vessels must be reported. With immediate effect the IMO number(s) must be recorded on the MRC or in the case of multiple numbers on other supporting documentation, e.g. a spreadsheet.

Xchanging technicians will be checking that this information is provided and from 1 January 2016 rejecting incomplete work packages.

Lloyd's German premium tax identification number 9116/807/00445 must be shown on Lloyd's policy documentation provided to the insured where Lloyd's underwriters have received and settled the tax. In the exceptional instances where tax is paid by another party it is their tax identification number that must be shown.

In addition as a result of changes to the German tax legislation further reporting requirements have been introduced and the following information is now required to be captured in relation to all German business (excluding reinsurance):

- The amount of gross premium and tax charged in original currency, i.e. the currency the premium was paid in by the insured.
- Where German premium tax has been settled locally, the name and tax number of the person paying the tax on the Lloyd's underwriters' behalf. This may be a local broker, the lead underwriter (under a co-insurance arrangement) or the insured (only in exceptional circumstances).
- Where an exemption from tax has been claimed the reason for exemption. This must be clearly stated on the MRC or other documentation presented to Xchanging.

Failure to provide any of this information will result in Xchanging rejecting the work package leading to potential delays to the business and premium being processed.

It is the Lloyd's underwriter's responsibility to ensure that satisfactory information is captured and failure to do so will result in them becoming liable for any taxes assessed. Lloyd's tax department is not responsible for checking or policing the quality of information captured and in the absence of satisfactory evidence will not automatically investigate and challenge the tax authority's assessment.

Despite local practices Lloyd's underwriters are strongly recommended to ensure that taxes are paid through to them with the premium as this is the only way to gain certainty that taxes have been correctly charged and settled.

With immediate effect Xchanging will be capturing this information and from 1 January 2016 they will be checking that it is provided. As previously stated, failure to provide it will result in delays to the business and premium being processed.

For further guidance on the application of German premium taxes please see Crystal.

If you have any questions or require further information please contact Mary O'Brien on +44 (0)20 7327 6852 or e-mail at mary.obrien@lloyds.com