

MARKET BULLETIN

REF: Y4945

Title	Non-XIS Return for 2015: Business not processed through Xchanging or via the Lloyd's Direct Reporting process
Purpose	To arrange the collection of all premiums and claims data relating to the 2015 calendar year, where the transactions to which these relate were not processed through Xchanging or via the Lloyd's Direct Reporting (LDR) process.
Type	Event
From	Andrew Gurney, Senior Manager, International Licences General Counsel and Risk Management Contact details: +44 (0)20 7327 6677 LITA@lloyds.com
Date	08 December 2015
Deadline	1. 18 December 2015 for the initial response to confirm whether or not any business has been processed outside Xchanging or LDR. 2. 21 January 2016 for the electronic submission of the Non-XIS Return
Related links	

All syndicates must confirm whether or not they have any data to report from transactions that were not (or will not be) processed through Xchanging or Lloyd's Direct Reporting (LDR). Confirmation should be provided by email to rehan.muhammad@lloyds.com, **no later than 18 December 2015**. Please note **all** syndicates must respond, including those in run-off.

Those managing agents who advise that their syndicates have processed business outside of Xchanging and LDR during 2015, must provide a contact name, email address and phone number of the individual to whom an electronic version of the Non-XIS Return (with completion instructions) should be sent.

Once a syndicate is in receipt of the Non-XIS Return, they have **until 21 January 2016** to submit the completed Return. It is important that the submission deadline is adhered to by syndicates in order for Lloyd's to continue to meet its external reporting obligations. **Please note that this return is now subject to the Lloyd's Overseas Returns Fining Policy (see Market Bulletin Y4843, dated 1 December 2014).**

On review of the Non-XIS Return for 2013, it is apparent that there is business written through service companies that could be reported through LDR. All new 100% non-cash service company business that is not processed through Xchanging should be processed via LDR. Further details can be found at the end of this bulletin.

Background

To comply with Lloyd's legal obligations to report business to overseas supervisory and fiscal authorities, Lloyd's requires accurate and complete financial data about the business of Lloyd's underwriters.

The requested information is important for maintaining Lloyd's trading status. Lloyd's uses the information to meet prudential obligations worldwide. In addition, the report is required to calculate the annual UK VAT global market recovery figures and provide an audit trail for HMRC.

Managing agents should note that to ensure tax due on insurance business reported on the Non-XIS return is declared on time it must be advised to Lloyd's Taxation department when the business is written during the year. Manual procedures are available to capture this data but it is important that managing agents contact Lloyd's Taxation department direct if they believe they have any tax to declare. In respect of declarations of Swiss stamp duty, please be advised that managing agents will be required to submit copies of relevant policy documents to Lloyd's Switzerland if the business has not already been reported to Lloyd's Switzerland by a local broker.

Whilst most transactional data is available from Xchanging, Lloyd's only source of information about business not processed through this route or LDR is by collecting it directly from syndicates via the Non-XIS Return.

Data required

The data required is for original premium, additional premium, return premium, outstanding claims, paid claims and refund transactions processed by syndicates in the 2015 calendar year. This includes transactions relating to all earlier years of account and applies only to inward business. Please also ensure that syndicate service company business is included in the data supplied or alternatively, it can be reported where applicable through LDR.

Note: premium data is required for **all countries** from which business has been written to enable taxation to calculate the annual UK VAT global market recovery rates. However, claims data is **only required** for those countries listed in Appendix 1.

The data being submitted must **NOT** include the following transactions:

- Business processed (or due to be processed) through Xchanging or LDR;
- Profit commissions and any other non-premium or non-claim miscellaneous accounting entries;

- Outward reinsurance;
- Transactions where a non-cash entry was recorded at Xchanging.
- Claim reserves for fees only, where syndicates are not including these in their reserves for solvency purposes. Where fees are being reserved for in addition to indemnity or expense payments, then the fee amount should be included in the figures on the return.

It should be noted that where data is supplied by syndicates for certain countries where trust fund or audit requirements exist, it may be necessary for Lloyd's to carry out subsequent investigation with the syndicates concerned in order to verify that the correct procedures and settlements have taken place. This is likely to involve requesting a transaction level supplementary file of data from syndicates to enable further analysis and enquiry.

In addition, it may be necessary to ask syndicates to carry out specific supporting actions to ensure that the business is properly reported at the required level of detail, for example, adjusting US surplus lines trust fund reporting packs or ensuring that the appropriate taxes are paid.

Further information

Non-XIS Return

If there are questions on the completion of the Non-XIS Return please contact:

Rehan Muhammad
Tel: + 44 (0)20 7327 5282
Email: rehan.muhammad@lloyds.com

Taxation

If there are any questions in relation to reporting premium taxes or other taxes please contact:

Mary O'Brien
Tel: +44 (0) 207327 6852
Email: mary.obrien@lloyds.com

Lloyd's Direct Reporting (LDR)

LDR was launched for 100% non-cash service company business in 2013 and provides an opportunity for managing agents to use LDR to report business that meets LDR requirements and is not processed through Xchanging. All new 100% non-cash service company business that is not processed through Xchanging should be processed via LDR.

Further information, including contact details, can be obtained on the LDR website:
<http://www.lloyds.com/the-market/operating-at-lloyds/direct-reporting>

Andrew Gurney
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International Regulatory Affairs

Regulatory Reporting Country List

Antigua & Barbuda	Liechtenstein
Australia	Lithuania
Austria	Luxembourg
Bahamas	Malta
Barbados	Mauritius
Belgium	Namibia
Belize	Netherlands
Bermuda	New Zealand
Brazil ¹	Norway
British Virgin Islands	Poland
Bulgaria	Portugal
Canada	Romania
Cayman Islands	San Marino
Croatia	Singapore
Cyprus	Slovakia
Czech Republic	Slovenia
Denmark	South Africa
Dominica	South Korea
Estonia	Spain
Finland	St. Kitts & Nevis
France – Metropolitan	St. Lucia
France – DOMs ²	St. Vincent & Grenadines
France COMs ³	Sweden
Germany	Switzerland
Greece	Trinidad & Tobago
Grenada	UK
Hong Kong	US Minor Outlying Islands
Hungary	US Virgin Islands licensed
Iceland	US – Illinois licensed
Ireland	US – Kentucky licensed
Israel	US – other states
Italy	Vanuatu
Jamaica	Zimbabwe
Japan ⁴	Colombia
Latvia	

¹ Reinsurance only

² DOMs = Guadeloupe, French Guiana (la Guyane), Martinique, La Reunion & Mayotte

³ COMs = French Polynesia, Wallis & Fortuna, Saint Martin, Saint Barthelemy, St. Pierre et Miquelon, French Southern & Antarctic Lands (Terres Australes et Antartiques) incl Kerguelen Islands, New Caledonia. For further information in relation to the French DOMs and COMs please refer to Crystal.

⁴ Only in respect of business meeting the requirements of Market Bulletin Y4607