

MARKET BULLETIN

REF: Y4956

Title	Schedule 3 reporting for corporate members
Purpose	To invite corporate members to subscribe to the central Schedule 3 facility for the 2015 year end.
Type	Scheduled
From	Robert Smith, Manager, UK Reporting, Market Finance Contact details: +44(0)20 7327 5459 Robert.Smith@lloyds.com
Date	22 December 2015
Deadline	Completion of application form – Friday 29 January 2016
Related links	

Corporate members are required to prepare their accounts in accordance with Schedule 3

Lloyd's central Schedule 3 facility

In order for corporate members to be able to prepare their accounts in accordance with Schedule 3 they require certain information which is not available in the syndicate accounts or the extract they receive from the quarterly monitoring return.

Therefore, to assist corporate members to prepare their statutory accounts, Lloyd's will operate a central facility whereby information will be collected in Schedule 3 format in respect of each syndicate from managing agents (as part of the Q4 QMA return), process it and then make it available to relevant corporate members in the form of a statement reflecting that member's syndicate participations.

Annual accounting

All information is provided on an annual accounting basis. The 2015 year-end will be the first following the transition to FRS102 and FRS103, therefore the information to be provided will include restated 2014 information from most, if not all, relevant syndicates.

Provision of Schedule 3 data by managing agents

Managing agents are required to prepare and submit to Lloyd's a Q4 QMA return. Among other things, the Q4 QMA return collects data for use in Lloyd's central Schedule 3 facility (the 'Schedule 3 data'). The Schedule 3 data must be prepared by the managing agent in

respect of each syndicate managed by it unless it has been granted an exemption. The circumstances in which such an exemption may be granted include, for example, where there is no corporate participation on the syndicate for any year of account, where the capacity for each year of account was fully subscribed to by a single corporate member or where the managing agent is able to confirm that no Schedule 3 data is required because it is aware that no corporate member participating on that syndicate for any year will be subscribing to the Lloyd's central Schedule 3 facility. Such an exemption will only apply to the Schedule 3 data of the Quarterly Monitoring Return as defined in the Quarterly Monitoring return instructions for 31 December 2015.

Thus, the Schedule 3 statement sent to corporate members will contain data concerning their participations on all syndicate years except where no Schedule 3 data has been prepared. In addition, Lloyd's cannot guarantee to include data relating to any syndicate where the Q4 QMA return has not been submitted to Lloyd's by the prescribed date, i.e. 18 February 2016, although so far as possible every effort will be made to include such data.

Provision of data to corporate members

Once the Q4 QMA returns have been submitted, Lloyd's will process and validate the data then apportion the data in respect of each syndicate year for which a return has been made (see above regarding nil returns or late returns) in accordance with each corporate member's participation on the syndicate year concerned.

The individual and the aggregated position of all syndicate participations in respect of which annual returns containing Schedule 3 data have been made prior to the deadline will then be made available to each corporate member who has subscribed to this service. Copies of the relevant managing agents' and auditors' reports will be provided to each subscribing member.

It is currently envisaged that the data will be made available to subscribing corporate members by no later than Thursday 31 March 2016. However as last year we will aim to send the data out before this date if possible.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee. This fee is calculated by reference to the highest overall premium limit (OPL) of the corporate member concerned and number of syndicates (disregarding syndicate years of account for this purpose) in which the corporate member participates.

The fees for the 2015 facility are set out below and vary according to the size (in terms of the OPL) of the corporate member. The fees are unchanged from last year.

OPL for member*	Fee per syndicate participation**	Maximum fee**
£15,000,001 or greater	£125.00	£3,750.00
£10,000,001 to £15,000,000	£100.00	£3,000.00
£5,000,001 to £10,000,000	£70.00	£2,100.00
£2,000,001 to £5,000,000	£35.00	£1,050.00

£2,000,000 or less	£35.00	£700.00
Member participating on 2012 or prior run-off years only	£35.00	£700.00

* OPL is defined as the highest OPL written for any of the last three years of account (i.e. 2013 to 2015 years of account).

** Fees are calculated per syndicate (not syndicate year) participation and are quoted exclusive of VAT which is chargeable at the applicable rate.

Payment of fees

The fees will be collected through the distribution system, ie the fees will be deducted from any profits that are to be paid to the member, in the same way as other central charges. An invoice will still be raised for tax purposes but we believe that the collection through distribution will be of benefit to members by eliminating the need to raise cheques.

This method of fee collection will only be available to those members that subscribe to the 2015 Schedule 3 facility by the due date set out for completion on the application form. Where a request is submitted after that date, payment will be required immediately on request to subscribe to the facility.

Scottish Limited Partnerships

While most Limited Liability Partnerships must report on a Schedule 3 basis, for the avoidance of any doubt, it should be noted that **Scottish Limited Partnerships do not have to prepare accounts in accordance with Schedule 3 to the Companies Act 2006**, and accordingly should not subscribe to this facility.

Deadline

Corporate members wishing to subscribe to this service are asked to complete the attached application form and return it to Market Finance **by no later than Friday 29 January 2016**.

If you have any queries on this bulletin, please contact;

Nadia Yakoob on extension 6317 (nadia.yakoob@lloyds.com) or
Robert Smith on extension 5459 (robert.smith@lloyds.com)

Robert Smith

**SCHEDULE 3 REPORTING FOR CORPORATE MEMBERS
LLOYD'S CENTRAL FACILITY
31 DECEMBER 2015**

Corporate Member(s): _____

Member number(s): _____

Address to which output is to be sent:

Contact name: _____

Telephone: _____

E-mail: _____

Please tick appropriate box:

I confirm that I will require Schedule 3 data provided by Lloyd's Central Facility. I note that the fee payable for this will be invoiced to the member by Lloyd's in April 2016 following provision of the data to the member.

Or

I confirm that I will not require Schedule 3 data provided by Lloyd's Central Facility.

Signed: _____

Name: _____

Position: _____

Date: _____

Please return to;

**Nadia Yakoob, Market Finance, Gallery 5, Lloyd's 1986 Building, 1 Lime Street,
London EC3M 7HA**

By no later than Friday 29 January 2016

Responses may also be emailed to (Nadia.Yakoob@lloyds.com)