

MARKET BULLETIN

REF: Y4997

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| Title | Newfoundland (Canada) – Reintroduction of retail sales tax (RST) |
| Purpose | Underwriters, brokers and coverholders to note and action the reintroduction of retail sales tax on insurance premiums in Newfoundland effective from 1 July 2016 |
| Type | Event |
| From | Nick Marman, Senior Manager Indirect Tax, Lloyd's Tax Department Tel: +44 (0)20 7327 6727, email: Nick.Marman@lloyds.com |
| Date | 12 May 2016 |
| Deadline | Effective from 1 July 2016 |
| Related links | http://crystal.lloyds.com/Search |

This bulletin advises the Market of the reintroduction of retail sales tax (RST) in Newfoundland (Canada).

The Newfoundland Government reintroduced RST on insurance contracts with effect from 1 July 2016.

RST is a charge borne by the insured and is charged at a rate of 15% on the premium paid by the insured.

RST will be chargeable on premiums due in relation to taxable insurance contracts incepting on or after 1 July 2016.

RST will also be due on additional premiums with an effective date on or after 1 July 2016 irrespective of the inception date of the original policy. RST will only be claimable in respect of return premiums where the tax was charged on the original premium.

Taxable insurance contracts are defined as contracts covering risks, perils or events in Newfoundland. Exemption from RST applies to reinsurance and also certain classes of insurance, details of which will be published on Crystal.

RST should be collected and settled locally by the local Canadian intermediary. Where there is no Canadian intermediary involved in the placement it should be passed to underwriters to be settled centrally by Lloyd's tax department.

If you have any queries on the content of this Bulletin please contact:

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