

MARKET BULLETIN

REF: Y5045

Title	Non-XIS Return for 2016: 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 2016 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	Steve Yates, Senior Manager, International Reporting General Counsel and Risk Management LITA@lloyds.com
Date	14 December 2016
Deadline	<ol style="list-style-type: none">1. 23 December 2016 for the initial response to confirm whether or not any business has been processed outside Xchanging or LDR.2. 20 January 2017 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 syed.shahid@lloyds.com and liam.macnamee@lloyds.com no later than 23 December 2016. Please note all syndicates must respond, including those in run-off.

New for 2016 and onwards – Secure Store:

Those managing agents who advise that their syndicates have processed business outside of Xchanging and LDR during 2016, will be required to submit the Non-XIS return through Lloyd's Secure Store from 2016 onwards.

Lloyd's Secure Store is a secure web-based facility providing a single, convenient, secure location, where information can be delivered between corporation departments and market entities.

In preparation for the submission of your Non-XIS return, Please arrange to obtain the relevant access to Secure Store by undertaking the following:

- Establish a Lloyds.com account, if you have not already.
- Once registered with Lloyds.com, you will need to contact your Devolved Administrator for them to give you the relevant permissions, to access Secure Store. (If you are not sure who your Devolved Administrator is, please contact Syed Shahid on 020 7327 6051 or syed.shahid@lloyds.com.)
- Once your Devolved Administrator has granted you the relevant permissions, please use the following link to access Secure Store: [Access Secure Store](#)
- Please note the 2016 Non-XIS return template will only be available via the Secure Store facility: 'Non-XIS' – '- Shared Files' – 'Annual Return'.
- Please note Secure Store viewing is at managing agent level, not syndicate level. Your Devolved Administrator has license to add associated syndicate users under the managing agent to enable the submission of returns in the managing agent folder.

If you would like a copy of the Secure Store User Guide this will be available via the Secure Store facility: 'Non-XIS' – '- Shared Files' – 'Annual Return'.

A syndicate has until **20 January 2017** 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 regulatory reporting obligations. **Please note that this return is now subject to the Lloyd's Overseas Returns Fining Policy (see Market Bulletin Y4843, dated 01 December 2014).**

On review of the Non-XIS Return for 2015, 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 2016 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:

Syed Shahid
Tel: + 44 (0)20 7327 6051
Email: syed.shahid@lloyds.com

Taxation

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

Vicky Clarke
Tel: +44 (0) 20 7327 6835
Email: Victoria.Clarke@lloyds.com

Charlie Dyer
Tel: +44 (0) 20 7327 6386
Email: Charlie.Dyer@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>

Steve Yates
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International Regulatory Affairs

Appendix 1

Regulatory Reporting Country List

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

¹ Reinsurance only² CU^s - French Guiana, Martinique and Mayotte³ DROM^s - Guadeloupe and Reunion⁴ Only in respect of business meeting the requirements of Market Bulletin Y4607