

Market Bulletin

Ref: Y5279

Title	New Portuguese Stamp Duty Reporting Requirements
Purpose	To advise Lloyd's underwriters, brokers and coverholders of new Stamp Duty Reporting Requirements for Portugal
Type	Event
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Date	13 February 2020
Deadline	1 May 2020

Lloyd's Underwriters and Lloyd's Brussels have an obligation to report Stamp Duty collected from policyholders to the tax authorities in Portugal.

Effective since 1 January 2020, the Portuguese tax authority has introduced new monthly Stamp Duty Reporting requirements, which requires all insurers covering Portuguese risks to report, at individual policy level, additional detail including the Tax Identification Number (TIN or referred to as the NIF in Portugal) of the policyholder and the location of the risk within Portugal (i.e. Mainland, Azores or Madeira). This is a fundamental change, as Lloyd's does not currently capture this information.

It is mandatory for all business processed from 1 January 2020 to report the TIN and the location of risk within Portugal, however the Portuguese tax authority has confirmed that the deadline for the reporting and submission of the January and February 2020 declarations will be postponed until 20 April 2020, to give insurers additional time to obtain this information.

As the TIN of the policyholder and specific regional location of the risk within Portugal is not currently captured by Lloyd's, the reporting of this information will become mandatory from **1 May 2020**. Reporting for the period 1 January 2020 to 30 April 2020 will have to be backfilled by the Lloyd's Tax Department who will contact brokers and coverholders who

have placed Portuguese business subject to Stamp Duty during this period. Please see below for further information.

Open Market Placements

1 January 2020 to 30 April 2020

During this 'transition window' whilst system changes are implemented by the Market, Lloyd's Tax Department will obtain a list of policies on a monthly basis for Portuguese risks placed at Lloyd's during the period 1 January 2020 to 30 April 2020. The TIN of the policyholder and the regional location of risk within Portugal will be requested from the Lloyd's brokers who placed these open market risks and contact will be made on a monthly basis.

Post May 2020

The Tax Identification Number (TIN) and regional location of risk within Portugal will need to be captured by Lloyd's for all open market placements covering Portuguese risk processed after 1 May 2020.

It is the responsibility of the Lloyd's underwriter and Lloyd's broker to ensure that, for risks located in Portugal, the regional location of the risk within Portugal and the TIN of the policyholder is recorded in the tax section(s) of the insurance documentation or tax schedule presented to Xchanging. The location of the risk within Portugal should be shown as follows:

C - Mainland

A - Azores

M -Madeira

More details on how to determine the regional risk location is included in Appendix 3.

Additional premiums and return premiums attaching to policies incepting before 1 January 2020 must also be processed with the additional information requirements.

After 1 May 2020, failure to provide the required information will result in Xchanging querying the work package, leading to potential delays to the business and premium being processed.

Binding Authority / Bulk Business

Post May 2020

Portuguese risks bound by coverholders and service companies are reported to Lloyd's Brussels via DA SATS. From 1 May 2020 the TIN of the policyholder and regional location of risk within Portugal must be reported in DA SATS via the bordereau for all Portuguese

risks. Any Portuguese risk that does not include the required details will be rejected. To comply with the Portuguese Stamp Duty Reporting requirements, please ensure all bordereaux are reported in DA SATS in a timely fashion. Please refer to **Appendix 2** for important information regarding the mandatory reporting requirements for Lloyd's Brussels.

The Coverholder Reporting Standards will be updated to include any mandatory fields not already in Section 13 for Lloyd's Brussels.

For lineslip business, the mandatory information set out in Appendix 2 must also be included on any bordereau submitted to Xchanging for processing.

1 January 2020 to 30 April 2020

The Lloyd's Tax Department will contact coverholders and brokers that cover Portuguese risks separately for the period prior to 1 May 2020.

Further information

After 1 May 2020, failure to provide the required information will result in Xchanging querying the work package, leading to potential delays to the business and premium being processed.

Appendix 1 provides guidance on disclosing the foreign TIN where the policyholder is not a resident of Portugal and therefore has not been assigned a Portuguese TIN.

Appendix 2 sets out the additional information that must be reported on the bordereau for Lloyd's Brussels policies.

Appendix 3 sets out how to determine the regional location of risk for Portuguese risks.

For further guidance on the application of Portuguese Stamp Duty Reporting please consult Lloyd's Crystal or contact Lloyd's Tax Department:

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Appendix 1 – disclosure of the TIN

Format of a Foreign TIN

The Tax Identification Number (TIN) of the policyholder must be disclosed in the tax section of the insurance documentation or tax schedule presented to Xchanging. In cases where the policyholder is not a resident of Portugal and therefore does not have a Portuguese TIN, the TIN of the country of residence must be provided. Note that this foreign TIN must be preceded by the respective numeric code, in accordance with the table in the ISO 3166 standard (please refer to the link [here](#) for the ISO 3166 table). For example, a UK tax number should be preceded by the numeric code 826. Any work packages provided without the numeric country code will be queried by Xchanging.

Global placements

In respect of global placements with a risk located in Portugal, the Portuguese TIN of the local establishment (e.g. the local subsidiary or branch) should be provided. Where the Portuguese TIN is not available, the Foreign TIN of the parent entity should be provided in accordance with the above instructions. Any work packages provided without either the Portuguese TIN or Foreign TIN preceded by the numeric country code will be queried by Xchanging.

Appendix 2 –Bordereaux mandatory reporting requirements

Bordereau Submission to DA SATS and Xchanging

From 1 May 2020 all bordereau containing Portuguese risks must be reported via DA SATS before the last day of the month following the end of the relevant bordereau period.

The following mandatory information **must** be included on the bordereau reported into DA SATS and/or Xchanging for each individual policy covering a Portuguese risk:

- 1) Insured full name (CR0035)
- 2) Certificate reference (CR0029)
- 3) Policy inception date (CR0030)
- 4) Policy expiry date (CR0031)
- 5) TIN of policyholder (NEW Requirement!) (CR1256*)
- 6) Regional location of risk in Portugal (NEW Requirement!): (CR0048)
 - C – Mainland (NEW Requirement!)
 - A – Azores (NEW Requirement!)
 - M – Madeira (NEW Requirement!)
- 7) Class of business (CR0017)

The Coverholder Reporting Standards will be updated to include any mandatory fields not already in Section 13 for Lloyd's Brussels in due course.

*CR1256 is currently described in the Coverholder Reporting Standards as 'Spanish Tax Identification Number', however until an update is made to the description of this field in the Coverholder Reporting Standards, this field can also be used to report the tax identification number of the policyholder in Portugal.

Appendix 3 – Determining the Regional Location of Risks for Portuguese risks

A risk is located in this territory for tax purposes if it relates to:

- fixed and/or moveable property (excluding goods in transit) situated in the territory, or
- motor vehicles, ships, yachts or aircraft registered in the territory, or
- travel risks of a duration of four months or less taken out in the territory, or
- any other type of risk (not listed above) where the insured is habitually resident in the territory or, in the case of a corporate insured, its business establishment to which the risk relates is situated in the territory.

The regional location for fixed and or moveable property (not including goods in transit) should be the region where the property is situated.

For vehicles, (including motor vehicles, ships, yachts and aircraft), the regional location should be the address at which the vehicle is registered. If there is no specific registration address, then the regional location of the Portuguese policyholder should be reported. If the policyholder is not located in Portugal, then the registration of the vehicle should be deemed as being located in Mainland Portugal.

For risks that are not associated with fixed property or vehicles (such as casualty risks or goods in transit risks) the regional location of the Portuguese policyholder should be reported.