

# Market Bulletin

Ref: Y5316

<b>Title</b>	Schedule 3 reporting for corporate members
<b>Purpose</b>	To invite corporate members to subscribe to the central Schedule 3 facility for the 2020 year end.
<b>Type</b>	Scheduled
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<b>Date</b>	16 December 2020
<b>Deadline</b>	Completion of application form – <b>by Friday 22 January 2020</b>
<b>Related links</b>	n/a

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

#### Lloyd's central Schedule 3 facility

In order for corporate members to be able to prepare their accounts in accordance with the Schedule 3 requirements, 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.

#### 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 Q4 QMA return as defined in the QMA instructions for 31 December 2020.

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. 11 February 2021, 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 envisaged that the data will be made available to subscribing corporate members at the start of April 2021.

#### 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 2020 facility are set out below and vary according to the size (in terms of the OPL) of the corporate member. The fees remain the same as in the previous year.

OPL for member*	Fee per syndicate participation**	Maximum fee**
£15,000,001 or greater	£150.00	£4,475.00
£10,000,001 to £15,000,000	£125.00	£3,700.00
£5,000,001 to £10,000,000	£90.00	£2,625.00
£2,000,001 to £5,000,000	£50.00	£1,550.00
£2,000,000 or less	£50.00	£1,025.00
Member participating on 2017 or prior run-off years only	£50.00	£1,025.00

\* OPL is defined as the highest OPL written for any of the last three years of account (i.e. 2018 to 2020 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, i.e. 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 2020 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 Central Finance at [Lloyds-MRD-ReturnQueries@lloyds.com](mailto:Lloyds-MRD-ReturnQueries@lloyds.com), by no later than Friday 22 January 2021.

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

Scott Gomes on 020 7327 5117 ([Scott.Gomes@lloyds.com](mailto:Scott.Gomes@lloyds.com)) or  
George Nicholson on 020 7327 5609 ([George.Nicholson@lloyds.com](mailto:George.Nicholson@lloyds.com))

George Nicholson

**SCHEDULE 3 REPORTING FOR CORPORATE MEMBERS  
LLOYD'S CENTRAL FACILITY  
31 DECEMBER 2020**

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 2021 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 a scanned copy to [Lloyds-MRD-ReturnQueries@lloyds.com](mailto:Lloyds-MRD-ReturnQueries@lloyds.com)**

**By no later than Friday 22 January 2021**

Responses may also be emailed to [scott.gomes@lloyds.com](mailto:scott.gomes@lloyds.com)