



NSW STAMP DUTY SMALL BUSINESS INSURANCE EXEMPTION DECLARATION FORM

What is the NSW small business exemption?

From 1 January 2018, NSW small businesses will be exempt from paying stamp duty on certain types of insurance.

What is a small business?

Revenue NSW has stated that: "You are a small business if you are **an individual, partnership, company or trust** that is carrying on a business, and the business has an **aggregated turnover of less than \$2 million**. Aggregated turnover is your annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you."

What types of insurance are eligible for the exemption?

The types of insurance that may be eligible include:

- Commercial vehicle insurance, for a motor vehicle that is used primarily for business purposes.
- Occupational indemnity insurance (including professional indemnity) covering liability arising out of the provision by a person of professional services or other services (other than medical indemnity cover)
- Product and public liability insurance covering liability for personal injury or property damage occurring in connection with a business or arising out of the products or services of a business.
- Commercial aviation insurance for an aircraft that is used primarily for business purposes.

Special definitions apply to each of these insurances so we recommend you refer to section 259B of the Act for full details. Insurers will only apply the exemption where they determine the policy is affected (in whole or part).

When does the exemption apply?

The exemption only applies if the eligible insurance is in a contract effected (new business and variations) or renewed on or after the 1 January 2018.

Instructions for applying for an exemption

To receive the exemption, please complete this declaration declaring that you are a small business. Email the completed declaration to Watkins Taylor Stone info@watkinstaylorstone.com.au

For a policy to be exempt, the insured must be a small business as at the date the policy is effected or renewed and the insurer must have a small business declaration. If an insurer does not have a small business declaration as at the date the policy is effected or renewed then the policy is liable to duty.

Please note:

- a. This declaration covers all policies issued to you during the financial year ended 30 June 2018.
- b. If you are uncertain whether you classify as a small business, please speak to your financial adviser.
- c. The Insurer will place reliance on your declaration in charging the applicable insurance duty.
- d. False declarations may result in penalties up to of \$11,000 by Revenue NSW plus the insurance duty not paid and penal interest on that balance.
- e. Revenue NSW may also be able to clarify your queries relating to the law and your obligations.
- f. If you are a not for profit organisation already entitled to a NSW Stamp Duty Exemption, your premium is already exempt and the NSW Stamp Duty Exemption for Small Business is not relevant.

Where to get further Information

Visit the Revenue NSW website

<http://www.revenue.nsw.gov.au/taxes/insurance/exemptions>





NSW STAMP DUTY EXEMPTION - SMALL BUSINESS DECLARATION

This declaration covers policies effected or renewed during the year ended 30 June 2018.

I hereby declare that I am a Capital Gains Tax small business entity (within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth).

I am a small business individual / partnership/ company and/ or trust, which is carrying on a business, and the business has an aggregated turnover of less than \$2 million*.

Name:

Date Signed:

Name of insured (if different from above)

ABN of Insured:

Contact Details

Mobile:

Email:

Signature:

* Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you.

* A fraudulent declaration may invalidate your insurance contract.

Where to get further Information

Visit the Revenue NSW website

<http://www.revenue.nsw.gov.au/taxes/insurance/exemptions>

