

SMALL BUSINESS INSURANCE STAMP DUTY EXEMPTION

(FOR SMALL BUSINESSES WITH A TOTAL AGGREGATED TURNOVER BELOW \$2M ONLY)

From **1 January 2018** small businesses in NSW are not liable to duty on certain types of insurance. 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. Please visit the NSW Revenue website <http://www.revenue.nsw.gov.au/taxes/insurance/exemptions/sbe> and/or refer to the Duties Act 1997 (NSW).

The exemption will apply to the following types of insurance:

- **Commercial Vehicle Insurance** - for a motor vehicle used primarily for business purposes
- **Commercial Aviation Insurance** - for an aircraft used primarily for business purposes
- **Occupational Indemnity Insurance** - insurance covering liability arising out of the provision by a person of professional services or other services (other than medical indemnity cover within the meaning of the Medical Indemnity Act 2002 of the Commonwealth)
- **Product and Public Liability Insurance** - 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

A small business is an entity within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth for the income year in which the insurance is effected or renewed. At present, you are a small business entity if you are an individual, partnership, company or trust that:

- Is carrying on a business, and
- Has an aggregated turnover of less than \$2,000,000

What happens if a false Declaration is made?

We recommend you obtain appropriate professional advice and/or otherwise reasonably satisfy yourself that the Declaration is not false or misleading as:

- There is a maximum penalty of \$11,000 under the Act if the Declaration is provided knowing that it is false or misleading in a material particular; and,
- If the Declaration is false (whether dishonest or not) and this causes the insurer to be liable to pay a duty the insurer may require you to pay an amount equal to the duty, together with any interest or penalty tax payable.

DECLARATION FOR PURPOSES OF SEEKING SMALL BUSINESS EXEMPTION THE UNDER DUTIES ACT 1997 (NSW)

At the time that the contract of insurance being applied for is effected or renewed (as applicable), I am/will be a small business as defined in section 259A of the Duties Act 1997 (NSW) (the Act) for the purposes of the small business exemption in section 259B of the Act.

Policy Number / Other Ref:

Name of Insured Business:

Full name of Insured Person effecting or renewing the contract of insurance (Relevant Person):

I Declare the above as the Relevant Person or if not the Relevant Person, on their behalf.

☒ X

(signature)

Date:

❖ Please ensure the declaration form is sent back to SHC Insurance Brokers **before** the new business inception endorsement or renewal date. If the required Declaration is received after the time that the contract of insurance is effected or renewed, and the insurer is unable to recover the Stamp Duty already paid because of this, the insurer reserves the right not to make any premium adjustment or refund or deduct the reasonable costs of any recovery