

NSW Small Business Exemption of Stamp Duty

In the 2017/18 NSW State Budget, the NSW Government announced that from 1 January 2018 there would be an exemption of Stamp Duty on certain insurance products for Small Businesses.

A small business is an entity which is an individual, partnership, company or trust that:

- is carrying on a business, and
- has an aggregated turnover of less than \$2 million.

Outlined in this communication are the steps that NTI is required to take with partners to accommodate the Stamp Duty exemption and to clarify the responsibilities between the parties involved.

Insurance Class and NTI Insurance Policies:

Outlined in the table below, is a list of the NTI Insurance policies where the NSW Stamp Duty exemption applies.

Insurance Class	NTI Products
Commercial vehicle insurance	Transport Pack – Motor section & Liability section
	YellowCover – Motor section & Liability section
	Truck Pack – Motor & Liability
	Oil Pack – Motor, Bus & Coach
Commercial aviation insurance	Not applicable for NTI
Occupational indemnity insurance	Not applicable for NTI
Product and public liability insurance	Liability Standalone and as part of Transport Pack and Yellow Cover
<i>To be confirmed via ICA – Marine Liability, Marine P&I (part of Commercial Hull)</i>	

Stamp Duty Exemption requirements:

1. The Intermediary is responsible for determining and advising NTI if the customer is eligible for the small business Stamp Duty exemption.
2. Verification of the Stamp Duty exemption is required by either completing:
 - (a) NTI Stamp Duty Exemption Declaration
 - or
 - (b) A generic Intermediary pro forma that meets the NSW Office of State Revenue requirements.

NTI's approach to transacting Stamp Duty exemption for New Business and Renewals via E-Platform or manually

1. Stamp Duty exemption eligibility will be determined using the criteria provided by the NSW Office of State Revenue.
2. Package Products – NSW postcode is entered as base of operations.
3. Non Package (i.e. Fleet) – NSW postcode is entered. In the instance where a NSW base accounts for a percentage (%) of the operation, that percentage (%) will be applied to the stamp duty exemption. i.e. QLD postcode is 50%, NSW is 50%. The stamp duty charged will be based on QLD percentage only. The NSW portion will be exempt.

Please refer to the breakdown of responsibilities whether it be New Business or Renewal in the tables that follow:

Non-Sunrise - New Business & Renewals:

Non-Sunrise New Business	
NTI	The Intermediary
1. NTI will quote based on verbal or written advice from The Intermediary.	Confirm if Stamp Duty exempt Provide written or verbal advice to NTI
2. If exemption is claimed NTI will not add stamp duty charges to the base premium.	
3. In order to Bind and send the final policy schedule the Intermediary will be required to email a completed declaration to NTI.	Completed declaration to be emailed to NTI • NTI Declaration (available on website) or • An Intermediary generic declaration
Non-Sunrise Renewals	
No Previous Exemption Declared:	
1. Renewal offer sent to the Intermediary– Stamp Duty included.	The Intermediary / Insured is able to access the exemption declaration on the NTI website
	Completed declaration is submitted to NTI BDO
2. NTI BDO will provide declaration to processing department for policy to be edited and updated noting the exemption and attaching declaration.	
3. Updated renewal offer is sent to the Intermediary noting amended stamp duty.	

Non-Sunrise Renewals	
Declaration Previously Declared:	
1. Renewal offer sent to broker will exclude stamp duty for the NSW portion	Note: Renewal offer will include the following declaration: <i>Previously you have confirmed your eligibility for exemption from NSW stamp duty due to being a small business with turnover less than \$2m. If this is no longer the case please advise NTI prior to renewing your policy so that NSW stamp duty can be applied to the renewal premium.</i>
	If exemption is no longer applicable the Intermediary / Insured is required to inform NTI in order to change the eligibility from Yes to No and reissue terms
2. Reissue Terms	

Sunrise - New Business & Renewals:

Sunrise - New Business	
NTI	Intermediary
1. A new question is being added to the Sunrise screen to confirm Stamp Duty Exemption.	Confirm if Stamp Duty Exempt on behalf of the customer
2. Where Stamp Duty Exempt is selected: - a statement will display on the Sunrise screen as to what this means - by continuing with the transaction it confirms agreement.	Stamp Duty Exemption applies
3. Where Stamp Duty exemption is claimed NTI will exclude from the premium.	Note: As this is being answered by the broker on behalf of the Customer it will be incumbent on the broker to have the necessary declaration on file from the Customer. • NTI Declaration (available on website) or • The Intermediary generic declaration.

Sunrise - Renewals	
No Previous Exemption Declared:	
1. Renewal offer sent to the Intermediary via Sunrise – Stamp Duty included	Once Policy is imported by the Intermediary the exemption question is editable if a NSW base of operations is noted
	The Intermediary is required to provide an answer to question. Stamp Duty will be recalculated based on the answer.
Sunrise - Renewals	
Declaration Previously Declared:	
1. Renewal offer sent to The Intermediary via Sunrise will continue to display what was previously selected and can be edited by the Intermediary.	Review and select appropriate response based on whether exemption applies or not. If exemption = Yes, the premium will exclude stamp duty for the NSW portion.
	Renewal offer will include the following declaration: <i>Previously you have confirmed your eligibility for exemption from NSW stamp duty due to being a small business with turnover less than \$2m. If this is no longer the case please advise NTI prior to renewing Your policy so that NSW stamp duty can be applied to the renewal premium.</i>
	If exemption = No The Intermediary / Insured is required to change the exemption question to No in order to recalculate stamp duty.

The following actions are still being finalised by 20 November 2017:

- Marine Liability eligibility for exemption
- Commercial Hull P&I eligibility for exemption
- Pro forma declaration form to be available on the NTI websites
- Market communications & resources outlining implementation process

Should you have any questions please contact your business development representative.

Insurance products are provided by National Transport Insurance, a joint venture of the insurers CGU Australia Pty Ltd trading as CGU Insurance ABN 62 004 478 960 AFSL 700014 and AAI Limited Trading as Vero Insurance ABN 48 005 297 807 AFSL 230859 each holding a 50% share. National Transport Insurance is administered on behalf of the insurers by its manager NTI Limited ABN 84 000 746 109 AFSL 237246. 1OCT25