

## WHAT IS THE SMALL BUSINESS EXEMPTION?

From 1 January 2018, small businesses will be exempt from paying NSW 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."

## WHICH INSURANCE TYPES WILL THE EXEMPTION APPLY TO?

This exemption can be applied for small businesses with one of the following insurance types:

- Commercial vehicle insurance
- Professional indemnity insurance
- Product and public liability insurance

## HOW DO I APPLY FOR THE EXEMPTION?

To receive the exemption, please complete the below declaration declaring that you/ your client are a small business. Email the completed declaration to your underwriter / broker.

If the Declaration is not received by the date that the relevant insurance is effected or renewed, the exemption will not be applied and stamp duty will be payable.

Please note:

- A. The declaration covers all policies issued to You during the financial year in which the cover is effected or renewed, a new declaration is required on an annual basis.
- B. If you are uncertain whether you classify as a small business, please speak to your financial adviser.
- C. Longitude on behalf of insurers 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.

## NSW SMALL BUSINESS STAMP DUTY EXEMPTION DECLARATION

This declaration only covers policies for the financial year in which the cover is effected or renewed.

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\*.

SIGNATURE:

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NAME (PRINT):

OFFICE HELD:

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DATE:

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NAME OF  
INSURED:

ABN OF  
INSURED:

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MOBILE PHONE:

EMAIL:

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\* 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.