

Canadian “direct assured” Tax Report (Form C-FET01)

This form must be completed by the Lloyd’s broker and accompany the submission to Xchanging

Only complete this form if you can tick ALL of the following boxes

- The policy covers insured(s) resident in Canada
- The policy covers (or partially covers) a risk ordinarily situated within Canada
- There is **no** Canadian broker involved in the placement of the risk
- The risk covered does not fall within one of the exemptions, e.g. marine insurance, (detailed on Crystal)

If any of the above statements are **not** true then Canadian Federal Excise Tax is **not** due and this form should **not** be completed.

Canadian Excise Tax applies at 10% to all Canadian resident insureds in relation to insurance taken out either directly or by a third party on their behalf, e.g. a parent company under a multi-jurisdictional or global policy. The tax remains due irrespective of who pays the insurance premium. Brokers should advise their clients of these facts and suggest that any Canadian entities covered by a multi-jurisdictional or global policy are advised of their liability to excise tax by the third party taking out the policy. However, reinsurance and certain classes of direct insurance are exempt and these are detailed on the Lloyd’s Crystal website – <https://crystal.lloyds.com/Search>

Note: all fields are mandatory and are necessary for Lloyd’s to be able to complete correct filings to the CRA.

Name of Lloyd’s broker		
Name of Canadian insured		
Insured’s <u>Canadian</u> address (incl post/zip/area code)		
Canadian policy number & UMR		
Period of cover (DD/MM/YYYY)	From Date:	To Date:
Class of business (including Lloyd’s risk code)	Class of business:	Risk Code:
Taxable premium / (return premium) – Lloyd’s proportion	Original currency:	Amount (original currency):

In case of query, please note the individual who should be contacted:

Lloyd’s broker contact details:	Name:	
	Phone:	
	Email:	

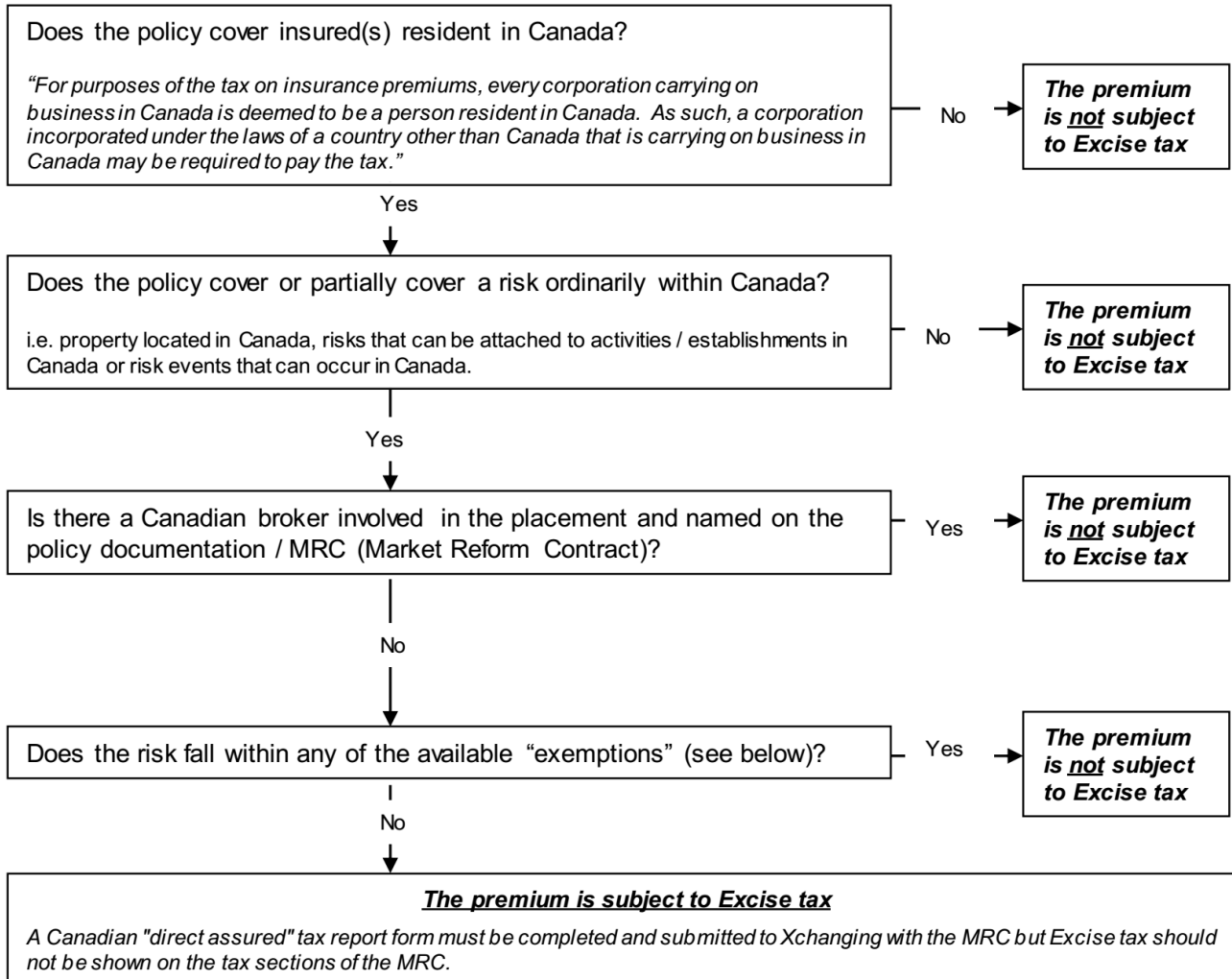
Please note: failure to provide complete information will result in Xchanging rejecting the work package

For Xchanging use only

Signing number(s) and date(s):

Decision chart: Insured's liability to Canadian Excise tax in relation to Lloyd's business

For more information please see the Excise Taxes and Special Levies Memorandum X7.1 "Special Levies – Insurance Premiums" issued in February 2009



"Exemptions":

Excise tax does not apply to:

- reinsurance
- insurance against marine risks (see below for the Excise tax definition of marine risks);
- life insurance;
- personal accident insurance;
- sickness insurance;
- insurance against nuclear risks to the extent that the insurance is not in the opinion of the Commissioner available in Canada; or
- any other contract of insurance to the extent that the insurance is not, in the opinion of the Commissioner, available with in Canada.

Marine risks include (note this may not be a definitive list, please refer to the CRA's most recent publication on the subject): Commercial hull and machinery insurance and ships liability. Cargo insurance, (including air/marine cargo and inland transit, log insurance, freight forwarders, and worldwide storage). Construction insurance (building risks insuring a vessel while in the course of construction, not for a specific period of time).

Other structures covered by a marine insurance contract include: • marinas • offshore oil or gas rigs • piers • port installations • shipyards

Other risks that may be covered by a marine insurance contract are:

- builder's legal liability • boat and boat supply dealer's legal liability • cargo owner's liability • cargo owner's pollution liability
- charterer's legal liability • freight forwarder's legal liability • load/transportation broker's legal liability • marina operator's legal liability
- marine pollution liability • port authorities' legal liability • safe berth legal liability • ship agent's legal liability
- ship repairer's legal liability • stevedore's legal liability • terminal operator's legal liability • warehouseman's legal liability
- wharfinger's legal liability"