

NSW Small Business Stamp Duty Exemption Declaration

What is the NSW small business exemption?

From 1 January 2018, NSW 'small businesses' are exempt from paying stamp duty on certain types of insurance products. To obtain the benefit of the exemption you must be an eligible 'small business' and provide this written declaration to us.

What is a 'small business'?

The legislation is complex and unfortunately we are not permitted to assist you in determining if you are a small business that is eligible for the exemption. We recommend that you seek professional advice to help you understand if the exemption applies to you.

For your general information, the small business definition under the *Duties Act 1997* (NSW) (the **Act**) would normally capture an individual, partnership, company or trust that:

1. is carrying on a business; and
2. the business has an aggregated annual turnover in the relevant period of less than \$2 million.

If you are not sure whether this definition of small business applies to you for the purposes of determining eligibility for the stamp duty exemption, visit revenue.nsw.gov.au/taxes/insurance/exemptions/sbe, refer to section 259A of the Act and/or seek appropriate advice.

It is your responsibility as the insured to determine your eligibility for the exemption.

What policies are applicable for the exemption?

- > Commercial vehicle insurance - for a motor vehicle used primarily for businesses 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* (Cth)).
- > Product and public liability insurance - insurance covering liability for personal injury of property damage occurring in connection with a business or arising out of the products or services of a business.

Instructions for applying for an exemption:

To receive the exemption, please complete the below declaration stating that you are a *small business*. This should only be done if you have made the proper enquiries to determine that you are small business under the Act.

Please note:

- a. This declaration covers all policies effected or renewed on or after 1 January 2018.
- b. If you are uncertain whether you classify as a small business, please speak to your financial advisor.
- c. Coverforce will place reliance on your declaration in charging the applicable insurance duty.
- d. False declarations may result in penalties up to \$11,000.00 by Revenue NSW (as amended from time to time) plus the insurance duty not paid and penal interest on the balance.
- e. Revenue NSW may also be able to clarify any queries that you may have in relation to the law and your obligations.

Declaration

This declaration covers policies effected or renewed on or after 1 January 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* (Cth).
- > 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:

Email:

Signature:

Office held:

Mobile phone:

Date (DD/MM/YY):

Name of insured:

ABN of insured:

Please check you have correctly filled out all sections and saved the document before submitting the form.

Please email the completed declaration to info@coverforce.com.au