

New South Wales Small Business Stamp Duty Exemption Declaration

What is the small business exemption?

Some small businesses that generate all or a portion of their revenue in NSW will be eligible to apply for a NSW Stamp Duty exemption on certain types of insurance effected or renewed from 1 January 2018 and annually thereafter. This exemption only applies to NSW Stamp Duty.

What is a small business?

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 \$2,000,000. Aggregated turnover is your Australia-wide annual turnover plus the Australia-wide annual turnovers of any business that are affiliates or are connected with you.

Which types of Insurance will the exemption apply to?

This exemption will apply to small business with any of the following eligible 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 (Professional) 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); and
- ✓ **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.

How do I apply for the Exemption?

To receive the exemption, please complete the NSW Small Business Stamp Duty Exemption Declaration below. Email your completed Declaration to your Insurance Broker.

IMPORTANT NOTES:

- ✓ The NSW Stamp Duty exemption does not apply automatically - you need to complete a Declaration annually in order to gain the exemption;
- ✓ This Declaration covers all policies issued to you during the financial year ended 30 June 2018;
- ✓ If you fail to provide a Declaration at the time of entering into an eligible contract of insurance, NSW Stamp Duty will be charged at the rate applicable on the effective date of the Policy;
- ✓ If a Policy covers multiple types of risks the premium will require apportionment between the different types of risk to determine the NSW Stamp Duty payable;
- ✓ If a Policy covers multiple States, Territories or Countries, the premium will require territorial apportionment in order to calculate NSW Stamp Duty payable;
- ✓ If you are uncertain as to whether you classify as a small business or whether you are eligible for the exemption, seek professional advice from your accountant, financial advisor or insurance broker;
- ✓ Insurers will place reliance upon your Declaration in charging the applicable Stamp Duty;
- ✓ False declarations may result in penalties of up to \$11,000 by Revenue NSW plus the Stamp Duty not paid and penalty interest on that balance;
- ✓ Revenue NSW may also be able to clarify your queries relating to the law and your obligations.
- ✓ More information on the small business exemption?
 - ✓ Please visit the Revenue NSW website: <http://revenue.nsw.gov.au/info/legislation/budget/2017/06/faq#sbe>
 - ✓ Or refer to s.259A and s.259B of the Duties Act 1997 (NSW): http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol_act/da199793/

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Covering Policies effected or renewed during the year to 30 June 2018

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

Signature

Name

Date Signed

Name of Insured

ABN

Contact Details:

Mobile:

Email: