

NSW SMALL BUSINESS STAMP DUTY INSURANCE EXEMPTION DECLARATION FORM

What is the small business exemption?

The NSW Government has introduced a new small business stamp duty exemption in the Duties Act 1997 (NSW) (the Act) for eligible insurance acquired on or after 1 January 2018. In order to get the benefit of the exemption, the insured person must:

- a) Be an eligible small business; and,
- b) Provide a Declaration to the insurer in an approved form

What types of insurance will the exemption apply to?

The types of insurance that may be eligible include:

- Commercial vehicle insurance,
- Occupational indemnity Insurance
- Product and public liability insurance
- Commercial aviation insurance

How do I apply for the exemption?

An eligible insured person must provide a Declaration that they are a small business at the time the relevant insurance is effected or renewed.

What is small business?

The legislation is complex, and Revenue NSW has issued guidance summarising when you are a small business as follows:

A small business is an entity within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth for the Income year in which the insurance is effected or renewed. At present, you are a small business entity if you are an individual, partnership, company or trust that:

- a) is carrying on a business, and
- b) 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.

Your business is connected with another business if:

- a) either entity controls the other entity, or
- b) both entities are controlled by the same third entity.

IMPORTANT:

- a) If you are uncertain whether you classify as a small business, please seek professional advice from your Accountant or Financial Advisor.
- b) False or misleading declarations may attract a maximum penalty of up to \$11,000 for an Individual and \$55,000 for a corporation plus the Insurance duty not paid and penal interest on that balance.
- c) Revenue NSW may also be able to clarify your queries relating to the law and your obligations.

<http://www.revenue.nsw.gov.au/taxes/insurance>

DECLARATION TO CLAIM THE NSW DUTIES ACT 1997 SMALL BUSINESS STAMP DUTY EXEMPTION:

I hereby declare that at the time that the contract of insurance being applied for is effected or renewed (as applicable), I am/will be a small business as defined in section 259A of the Duties Act 1997 (NSW) which is carrying on a business and the business has an aggregated turnover of less than \$2 million.

Yes

No

Signed

Name:

Date:

Name of Insured:
(if different from above)

ABN of Insured:

Contact Details

Mobile:

Email:

IMPORTANT: To be eligible to claim the NSW small business stamp duty exemption the above Declaration must be received by the inception date of an eligible Insurance policy. If the Declaration is not received by this date NSW stamp duty will be payable.



Bespoke Insurance Group A.B.N 13 620 219
632 CAR 1266693 a corporate authorised
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Ltd AFSL 253131

