

GT INSURANCE

NSW SMALL BUSINESS INSURANCE EXEMPTION DECLARATION



Small businesses in NSW may be entitled to a stamp duty exemption under the Duties Act 1997 (NSW) (the Duties Act) for eligible insurance acquired or renewed on or after 1 January 2018. In order to seek the benefit of the exemption, the small business must:

1. Be applying for or renewing insurance cover that is eligible for the exemption;
2. Be a capital gains tax (CGT) small business entity; and
3. Provide a Declaration to the insurer in the approved form.

WHAT TYPES OF INSURANCE ARE ELIGIBLE FOR THE EXEMPTION?

The types of insurance that may be eligible for the exemption are:

- Commercial vehicle insurance, for a motor vehicle that is used primarily for business purposes.
- Occupational indemnity insurance (including professional indemnity) covering liability arising out of the provision by a person of professional services or other services (other than medical indemnity cover).
- Product and public liability 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.
- Commercial aviation insurance for an aircraft that is used primarily for business purposes.

Special definitions apply to each of these insurances. Refer to Section 259B of the Act for full details. Insurers will only apply the exemption where they determine the policy is affected (in whole or part).

WHAT IS A CGT SMALL BUSINESS?

This is defined in the Duties Act. We recommend a small business seek appropriate professional advice to determine whether it falls within the definition.

THE REQUIRED DECLARATION

The authorised person for a CGT small business seeking the exemption should carefully read the Declaration below under the heading "Declaration for the purposes of seeking Small Business Exemption under the Duties Act 1997 (NSW)". The authorised person for the CGT small business should sign in the place provided in the Declaration if they are satisfied the Declaration is true and correct. If the small business is taking out insurance through GT Insurance the Declaration, once signed, should be provided to GT Insurance.

In order to get the benefit of the exemption at the time the policy is taken out or renewed the Declaration should be provided to GT Insurance at those points in time.

If the CGT small business has been charged duty when they were entitled to seek an exemption they may be entitled to a refund. If the insurance was taken out through GT Insurance, the authorised person for the CGT small business can contact GT Insurance.

Declarations are only valid for a financial year and should be provided when a policy is taken out or renewed.

PENALTIES

As indicated above the small business must be satisfied the Declaration is true and correct prior to signing it.

There is a penalty up to \$11,000 under the Duties Act if the Declaration is provided knowing that it is false or misleading.

Further, if the Declaration is false and this causes an insurer to be liable to pay a duty the insurer may require the small business to pay an amount equal to the duty, together with any interest or penalty tax payable.

OBTAIN PROFESSIONAL ADVICE

We recommend the small business obtain professional advice and/or otherwise reasonably satisfy itself as to the accuracy of the Declaration prior to signing it.

HOW TO GET MORE INFORMATION?

Please visit the NSW Revenue website <http://revenue.nsw.gov.au/taxes/insurance> and/or refer to the Duties Act 1997 (NSW).

DECLARATION FOR THE PURPOSES OF SEEKING SMALL BUSINESS EXEMPTION UNDER THE DUTIES ACT 1997 (NSW)

At the time that 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 purposes of the small business exemption in Section 259B of the Duties Act 1997 (NSW).

Policy Number

Date

Name of insured person effecting or renewing the contract of insurance (Relevant Person)

I declare the above as the Relevant Person or if not the Relevant Person, on their behalf

Signature