



Indirect taxation on insurance contracts in Europe

March 2016

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Member associations and country codes

Austria (AT) — Versicherungsverband Österreich (VVO)

Belgium (BE) — Assuralia

Bulgaria (BG) — Association of Bulgarian Insurers (ABZ)

Croatia (HR) — Hrvatski ured za osiguranje

Cyprus (CY) — Insurance Association of Cyprus

Czech Republic (CZ) — Česká asociace pojišť'oven (ČAP)

Denmark (DK) — Forsikring & Pension (F&P)

Estonia (EE) — Eesti Kindlustusseltside Liit

Finland (FI) — Finanssialan Keskusliitto

France (FR) — Fédération Française des Sociétés d'Assurances (FFSA)

Germany (DE) — Gesamtverband der Deutschen Versicherungswirtschaft (GDV)

Greece (GR) — Hellenic Association of Insurance Companies

Hungary (HU) — Magyar Biztosítók Szövetsége (MABISZ)

Iceland (IS) — Samtök Fjármálafyrirtækja (SFF)

Ireland (IE) — Insurance Ireland

Italy (IT) — Associazione Nazionale fra le Imprese Assicuratrici (ANIA)

Latvia (LV) — Latvijas Apdrošinātāju Asociācija (LAA)

Liechtenstein (LI) — Liechtensteinischer Versicherungsverband

Luxembourg (LU) — Association des Compagnies d'Assurances du Grand-Duché de Luxembourg (ACA)

Malta (MT) — Malta Insurance Association

Netherlands (NL) — Verbond van Verzekeraars

Norway (NO) — Finance Norway

Poland (PL) — Polska Izba Ubezpieczeń (PIU)

Portugal (PT) — Associação Portuguesa de Seguradores (APS)

Romania (RO) — Uniunea Națională a Societăților de Asigurare și Reasigurare din Romania (UNSAR)

Slovakia (SK) — Slovenská asociácia poisť'ovní (SLASPO)

Slovenia (SI) — Slovensko Zavarovalno Združenje (SZZ)

Spain (ES) — Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)

Sweden (SE) — Svensk Försäkring

Switzerland (CH) — Schweizerischer Versicherungsverband (ASA/SVV)

Turkey (TR) — Türkiye Sigorta, Reasürans ve Emeklilik Şirketleri Birliği

United Kingdom (UK) — The British Insurers' European Committee:
Association of British Insurers (ABI)
International Underwriting Association of London (IUA)
Lloyd's

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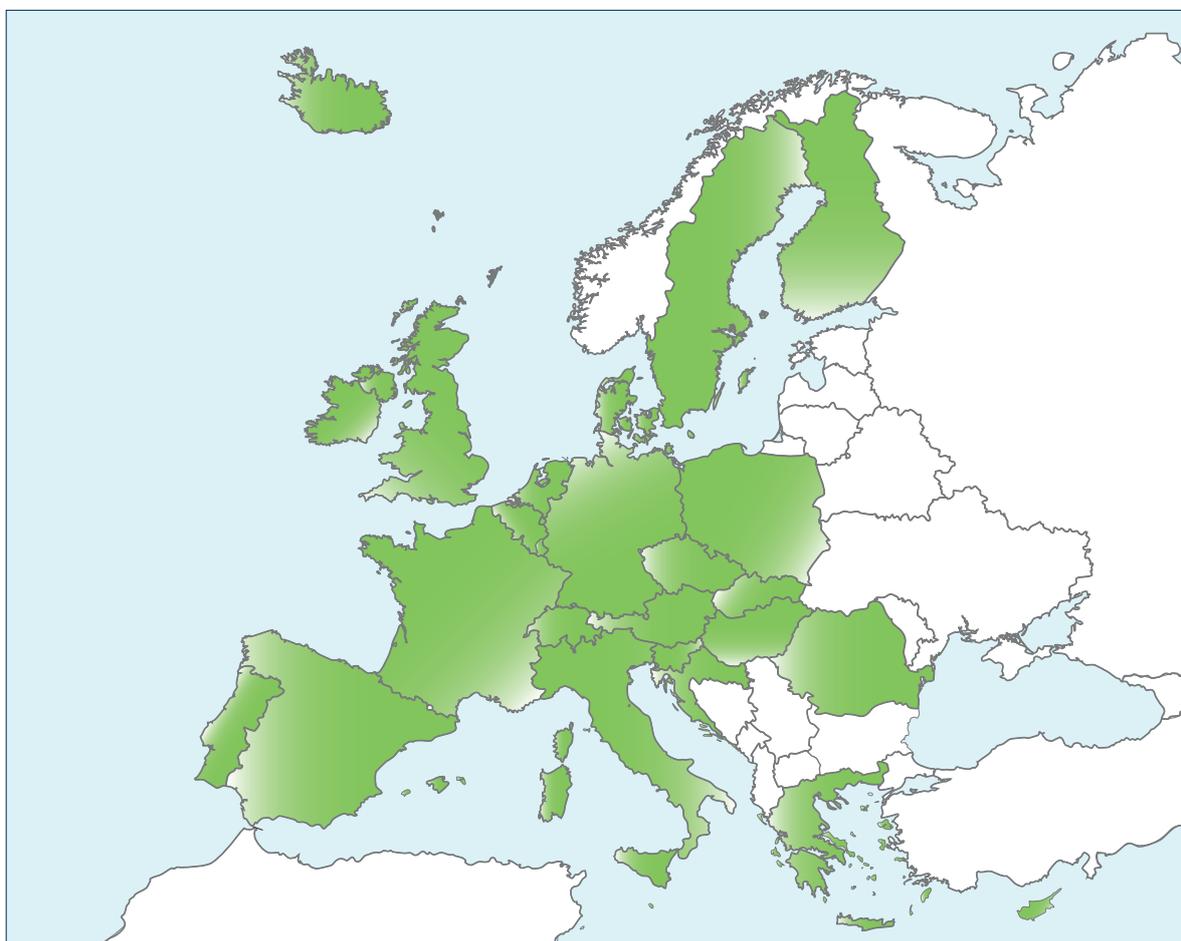
The countries with changes for the 2016 tax year are: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Poland, Romania, Slovenia, Spain, Sweden, United Kingdom.

Introduction

Taxes on insurance contracts and premiums are common in Europe. The application of taxes on insurance contracts and premiums varies from country to country. Depending on the country, insurance contracts and premiums may be subject to a regime of taxes that can include insurance premium taxes, stamp duties or parafiscal taxes and levies.

This report is based on data collected by Insurance Europe from its member associations (see list on page 4). This data covers 27 countries in Europe (26 European Economic Area¹ countries and Switzerland) that have some form of indirect taxation on insurance contracts. The Insurance Europe member countries that have indicated not to have any indirect taxation on insurance contracts are Estonia, Latvia, Norway and Turkey.

European countries with indirect taxation on insurance contracts covered in this publication



¹ The European Economic Area (EEA) comprises the EU member states, Iceland, Liechtenstein and Norway.

How to use this report

Each chapter of this report describes the fiscal and parafiscal taxes on premiums in a particular country. A table is provided, mentioning the risks covered by specific fiscal or parafiscal taxation. Any other risks that are subject to the basic regime are shown under the “other classes” heading.

Subsequently, a description is given of the tax return and payment procedures for contracts taken out by way of freedom of services (FOS) according to the provisions of the European Directives on insurance². It is important to note that these Directives have been repealed by the Solvency II Framework Directive when it entered into force on 1 January 2016.

Whatever law applies to contracts, insurance contracts are subject to indirect taxes and parafiscal charges on insurance premiums in the country in which the risk is situated. Each European country is free to determine the person responsible for collecting taxes and the method of recovery. They may require insurance undertakings, for supervisory purposes, to designate a tax representative, established on their territory, or to submit a detailed list of contracts taken out by way of freedom of services.

² Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives 73/239/EEC and 88/357/EEC (third non-life insurance Directive) (OJ L 228, 11.8.1992, p. 1). Council Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (OJ L 345, 19/12/2002 p. 0001 – 0051).

Austria

| Class of insurance | Premium tax | Parafiscal taxes Fire brigade tax |
|--|--|--------------------------------------|
| Life | 4% / 11% ⁽¹⁾ | |
| Occupational group insurance and supplementary annuity insurance | 2.5% ⁽²⁾ | |
| Old-age provision | 0% ⁽³⁾ | |
| Health | 1% | |
| Accident | 4% | |
| Motor liability | 11% + vehicle insurance tax ⁽⁴⁾ | |
| Hail (including destruction of glasshouses and forcing frames in market gardening and horticulture) | 0.2% per sum insured per year | |
| Fire | 11% | 8% ⁽⁵⁾ |
| Other insurance for damage to goods | 11% ⁽⁶⁾ | ⁽⁷⁾ |
| Cross-frontier goods in transit | Exempt ⁽⁸⁾ | |
| Export credit | Exempt | |
| Reinsurance | Exempt | |
| Other classes | 11% | |

(1) Insurance Premium Tax (IPT) is 11% for capital assurance (as opposed to annuities) including unit-linked life insurance, excluding term insurance, if the maximum duration is less than 15 years (10 years in case the policyholder and the insured persons are older than 50 years when the contract is concluded) and a single premium is paid. In all other cases IPT is 4%.

For single premium payment, IPT increases to 11% when the policy is surrendered within 15 years (10 years in case the policyholder and the insured persons are older than 50 years when the contract is concluded; for capital and annuity insurance) as well as for annuity insurance that is converted into a lump sum settlement, if the beginning of annuity payments was agreed within 15/10 years of the date of conclusion of the contract.

(2) Since 23 September 2005 it has been possible to arrange occupational group insurance, which is treated in the same way as pension fund products for tax purposes.

Supplementary annuity insurance is subject to the specific provisions of Article 108b of the income tax act 1988. This insurance was state aided from 1 January 2000 to 31 December 2003.

(3) State-aided retirement provision has been available since 1 January 2003. It is subject to the provisions of Article 108g of the income tax act 1988 and is tax exempt at all stages under certain conditions.

(4) Motor vehicles registered in Austria whose gross vehicle weight rating does not exceed 3.5 tons are subject to motor-related tax (except some kinds of tractors). This tax has to be paid in addition to IPT in connection with motor liability insurance. The monthly tax amount is (in the case of yearly paid premium):

- For motorcycles €0.025 per cubic centimetre (cubic capacity).

- For other vehicles, combustion engine power of the combustion motor in kilowatt (kW) — minus 24 kW — multiplied by (note minimum €6.20, maximum €72 for motor vehicles other than passenger and estate cars):
- they do not strictly correspond to sums actually paid by insureds, and;
 - €0.62 for the first 66 kW
 - €0.66 for the further 20 kW
 - €0.75 for all further kW

When the premium is paid half-yearly, quarterly or monthly, the motor-related tax increases by 6%, 8% or 10%.

Motor-related tax increases by 20% for vehicles which were registered in Austria for the first time before 1 January 1987 and which do not meet certain emission limits.

However some exemptions are envisaged: ambulances, fire engines, hire cars, taxis, electric cars, motorcycles under 100 cubic centimetres, vehicles registered to physically handicapped persons etc.

- (5) Insurers are entitled to claim the tax from the insured separately in addition to payment of up to 4% of the premium. For example, for the payment of a €100 premium, the abovementioned rule means that if tax at 8% is applied to the payment of the premium, total tax would be €8.00, the share of the tax sought directly from the insured would be equal to 4% of the insurance premium, ie €4.00, the insurer will therefore ask the insured for a premium of €100 plus the amount of tax which he may claim directly from the policyholder, ie €4.00, he will pay to the Austrian State €8.00 and therefore cash in €96.00.
- (6) Insurance premiums for livestock from small farms are tax-exempt if the sum insured does not exceed €3 650.
- (7) Where the insurance contract also covers fire risks and the premium is not broken down between the different components, the calculation of Fire Brigade Tax must be made on the fire element of the total premium.
- (8) Exempt since 1 June 1996.

General rules applicable to all insurance companies

1. Tax Basis

1.1 Premium tax and fire brigade tax

The total amount of the premium paid by the insured (including brokers' and agents' commission). The sum insured – in case of hail insurance.

1.2 Vehicle insurance tax

Combustion engine power of the combustion motor respectively cubic capacity – see above note 4.

2. Informing the policyholder

Taxes are not shown separately from the premium, only vehicle insurance tax has to be shown separately.

Special rules applicable depending on the method of establishment of the insurance company

3. Insurer established in Austria

3.1 Person liable to tax

The insurer is liable for all taxes. If there is a nominated agent, the insurer also becomes liable.

3.2 Keeping accounting and tax documents

In connection with the establishment of the tax and the basis of its calculation, the insurer or his agent must keep significant accounting documentation.

3.3 Frequency of payment

The event generating tax is the premium cashed in by the insurer. Consequently, it is the effective payment of the premium which is decisive. Taxes are payable monthly.

The insurer or the agent must calculate the tax amount on the basis of premium income for one month (declaration period). Taxes have to be paid no later than the maturity date which is the 15th day of the second-following month after the declaration period (eg 15 March for the declaration period January).

If premium income cannot be established, the taxable basis is the probable amount of premium income. If the difference between the amount of tax paid in due course and the amount of tax due on premiums written is no greater than 1%, this difference shall not give rise to payment of interest.

The insurer or the agent must provide the appropriate tax authority with an annual tax declaration for the past year by 30 April at the latest.

On 15 December of each year at the latest, the insurer or the agent must calculate and make a special advance tax payment equivalent to one twelfth of all taxation amounts calculated by the person liable. It must be declared to the tax authorities for the 12 latest declaration periods directly preceding the November declaration period as well as tax amounts laid down in the tax notice. The advance payment must be taken into account when calculating the fiscal debt for the November declaration period of the current year (deadline 15 January of the following year). There is no obligation to pay the special advance when the tax for the November declaration period is calculated and paid by the person liable by the 15 December following at the latest (this rule is applicable since 31 October 1999 and does not concern the fire brigade tax).

3.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Finanzamt für Gebühren, Verkehrsteuern und Glücksspiel
A-1030 Wien,
Marxergasse 4
Tel: +43 50 23 35 18
Fax: +43 50 23 35 91 80 01

4. Insurer not established in Austria and not established in the European Economic Area (EEA)

4.1 Person liable to tax

4.1.1 Premium tax and vehicle insurance tax

If the insurer has nominated an agent, he must pay the tax. If not, tax must be paid by the policyholder.

4.1.2 Fire brigade tax

If the insurer has nominated an agent, he must pay the tax. If not, tax must be paid by the insurer.

4.2 Keeping accounting and tax documents

Foreign insurers covering risks situated in Austria must keep and provide, upon request from the relevant tax authority (Finanzamt für Gebühren, Verkehrsteuern und Glücksspiel) in Vienna (see section 3.4) a complete list of insurance contracts and all information required to calculate the tax. This obligation applies even if the insurer considers that the

requisite conditions relating to liability to tax or duty to pay tax have not been met.

4.3 Frequency of payments

Payments made by the insurer or his agent (see section 3.3). If the policyholder has to pay the tax, the payment must be made on a monthly basis within 10 days after the “premium payment month” (eg 10 February for a premium payment made in January). Like the authorised agent or insurer, the policyholder must calculate the tax amount himself and submit a monthly tax return for the previous month to the competent tax authority.

4.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 3.4

5. Insurer established in the EEA operating by way of Freedom of Services (FOS)

5.1 Person liable to tax

The insurer is liable to all taxes. However, the policyholder is jointly and severally liable for the payment of premium tax and vehicle insurance tax. Any insurer with his head office within the EEA who concludes FOS contracts in Austria may nominate a tax representative. The name must be communicated to the Vienna tax authority (see section 3.4). Only lawyers, notaries, accountants or Austrian insurance companies may be nominated as tax representatives.

5.2 Keeping accounting and tax documents

See section 4.2

5.3 Frequency of payments

Payments made by the insurer or his agent (see section 3.3). If the policyholder who is jointly and severally liable to payment makes the payment (see section 4.3).

5.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 3.4

Belgium

| Class of insurance | Premium tax | Parafiscal taxes | | | |
|--|------------------------|--|----------------------|----------------------|--------------------------------------|
| | | National institute for health disability (INAMI) | | Belgian Red Cross | Security fund for fire and explosion |
| Life | | | | | |
| - individual ⁽²⁾ (2a) | 2% | | | | |
| - other than individual ⁽³⁾ (3a) (3b) | 4.4% | | | | |
| Liability (RC) | 9.25% | | | | 3% ⁽⁴⁾ |
| Motor liability | | | | | |
| - cars / 2-wheeled vehicles | 9.25% | 10% | 7.5% ⁽¹⁾ | 0.35% ⁽⁶⁾ | |
| - authorised taxis, vehicles used solely for hire with chauffeur, buses, coaches and their trailers ⁽⁹⁾ | 1.4% | 5% | 7.5% ⁽¹⁾ | 0.35% ⁽⁶⁾ | |
| - motor vehicles of a minimum of 3.5 tonnes and less than 12 tonnes ⁽⁵⁾ (9) | 1.4% | 5% | 7.5% ⁽¹⁾ | 0.35% ⁽⁶⁾ | |
| - motor vehicles or vehicles with trailers of at least 12 tonnes ⁽⁵⁾ (9) | Exempt | 5% | 7.5% ⁽¹⁾ | 0.35% ⁽⁶⁾ | |
| Motor insurance supplementary accidental | | | | | |
| - cars / 2-wheeled vehicles | 9.25% | 10% | 7.5% ⁽¹⁾ | | |
| - authorised taxis, vehicles used solely for hire with chauffeur; buses, coaches and their trailers ⁽⁹⁾ | 1.4% | 5% | 7.5% ⁽¹⁾ | | |
| - motor vehicles of a minimum of 3.5 tonnes and less than 12 tonnes ⁽⁵⁾ (9) | 1.4% | 5% | 7.5% ⁽¹⁾ | | |
| - motor vehicles or vehicles with trailers of at least 12 tonnes ⁽⁵⁾ (9) | Exempt | 5% | 7.5% ⁽¹⁾ | | |
| Motor legal expenses | 9.25% | | 7.5% ⁽¹⁾ | | |
| Legal expenses ^(6a) | Exempt | | | | |
| Fire | 9.25% | | 6.5% ⁽¹⁾ | | |
| Accident / health | 9.25% | | | | |
| - hospitalisation costs ^(6b) | 9.25% | 10% | | | |
| - accident at work ^(7a) | Exempt | | 4.13% ⁽¹⁾ | | |
| - group industrial disablement | 4.4% | | | | |
| Credit insurance | Exempt ^(7b) | | | | |

| Class of insurance | Premium tax | Parafiscal taxes | | |
|---------------------------------------|-------------|--|-------------------|--------------------------------------|
| | | National institute for health disability (INAMI) | Belgian Red Cross | Security fund for fire and explosion |
| Goods in transit | | | | |
| - carriers' liability, goods, freight | | | | |
| . marine ⁽⁹⁾ | 1.4% | | | |
| . inland waterways ⁽⁹⁾ | 1.4% | | | |
| . land ⁽⁹⁾ | 1.4% | | | |
| . air ⁽⁹⁾ | 1.4% | | | |
| Marine (hull) | | | | |
| - inland navigation | Exempt | | | |
| - sea | Exempt | | | |
| - shipbuilding risk | Exempt | | | |
| Aviation (hull) ⁽⁸⁾ | 9.25% | | | |
| Reinsurance | Exempt | | | |
| Other classes | 9.25% | | | |

(1) + 0.06% payable by the insurer. The FRSH (National Fund for the Reclassification of Handicapped Persons) contribution has been taken over by INAMI since the FRSH was abolished.

(2) Supplementary insurance follows the principal form.

(2a) The tax is due on premiums and contributions which are due for payment from 1 January 2013. The savings insurance taken out within the framework of pension savings and the insurance taken out within the framework of optional supplementary pensions for self-employed workers are exempt. Life insurance contracts taken out to guarantee a mortgage loan intended for accommodation purposes are subject to a rate of 1.1%.

(3) A special contribution of 8.86% on employers' premiums is envisaged for group insurance and pension funds (paid to the National Social Security Office - ONSS).

(3a) When the insurance contract falls within the framework of a supplementary pension scheme with multiple benefits (endowment - whole life/ industrial disablement/ medical expenses), additional conditions are applicable in order to obtain the reduced rate under penalty of the full rate of 9.25% being applied.

(3b) Social schemes benefit from exemption from the annual tax. The main characteristic of these schemes is that they include, along with the pension commitments, "solidarity" benefits which are defined by the Royal Decree of 14 November 2003.

(4) On premiums relating to the operator's compulsory strict liability insurance for fire or explosion in premises open to the public.

(5) These vehicles must be exclusively intended for transporting goods by road.

(6) The law of 22 February 1998 on social provisions empowers the King to lower or raise this tax by a maximum of

1%. A Royal Order of 18 June 1998 increased the supplementary amount for the Belgian Red Cross from 0.25% to 0.35%.

- (6a) The exemption is only applicable to the legal expenses insurance contracts complying with the conditions foreseen in a Royal Order (which has not come into force yet). The above mentioned conditions must be complied with, otherwise the full rate of 9.25% would be applied.
- (6b) The individual continuation of a professional health insurance without prior medical acceptance can, under certain conditions, benefit from annual tax as from 1 July 2011 (Law of 18 April 2010, Moniteur Belge of 11 June 2010).
- (7a) Insurance taken out in the framework of the legislation relating to compensation for damage resulting from accidents at work and on the way to and from work and annuities set up under this same legislation are tax exempt.
- (7b) Exemption only applicable to credit insurance covering commercial risks, country risks or both.
- (8) Only aircraft-hull registered in Belgium, used principally for international public transport, as well as hulls and liability for aircraft registered outside Belgium, are tax exempt.
- (9) Law of 22 April 2003, Moniteur Belge of 14 May 2003.

| Unofficial translations | |
|--|--|
| Impôt sur cotisations | Premium tax |
| Institut National d'Assurance Maladie-Invalidité (INAMI) | National institute for health/disability |
| Croix Rouge de Belgique | Belgian Red Cross |
| Fonds de Sécurité contre l'Incendie et l'Explosion | Security fund for fire and explosion |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Tax is calculated on total premium to be paid by the insured over the tax year, plus any costs borne by the latter. The tax basis is therefore the commercial premium which includes commission and collection charges when the premium is payable to the company.

On the other hand, costs and expenditure devolving on the insured, such as policy and receipt costs and collection charges where the premium is payable by the insured by virtue of a contractual stipulation are not included in the taxable basis.

1.2 Premium used to calculate parafiscal taxes

The amount used to calculate these taxes does not include premium tax. Generally speaking, it can be said that the basis is the (commercial) premium written (The terminology of the regulations concerning parafiscal taxes is not always the same).

2. Informing the policyholder

Taxes and parafiscal taxes are shown separately from the premium in motor insurance (cf. Art. 14 of the RO of

3 February 1992). There are no specific provisions for other classes. Assuralia has however recommended that a breakdown be shown (*Union professionnelle des Entreprises d'Assurances*).

3. Frequency of payment

3.1 Premium tax

Annually, and no later than the last working day of the month following that during which a premium, an employer's contribution or a personal contribution falls due. On the other hand, foreign undertakings with neither a branch, agency or head office in Belgium must pay the tax on the last working day of the second month following that during which a premium or contribution falls due.

3.2 National institute for health/disability (INAMI)

3.2.1 The additional premium of 10% or 5% in motor liability and material damage is levied on premiums written. This additional amount is paid by insurers to INAMI on the first day of each month in the form of a provisional payment. A final settlement is made at the close of each year and by no later than 31 March of the following year. The additional premium in supplementary motor accident insurance of 10% or 5% is levied by insurers at the premium due date or when the policy comes up for renewal with premiums relating to the additions. Additional amounts are paid by insurers to INAMI on the first of each month, in the form of a provisional payment. A final settlement is made at the close of the year and by no later than 31 March of the following year.

3.2.2 The 10% rate on commercial premiums, in the case of "hospital expenses", is paid to INAMI

An automatic levy by each institution makes it possible to take out or subscribe additional insurance in the event of hospitalisation. Amounts are paid to INAMI at the end of the six-month period in which the premium was paid.

3.2.3 The rates of 7.5%, 6.5% and 0.35% are calculated per calendar year

Provisional payments are made to the INAMI every month.

3.2.4 The rate of 5.5% is calculated quarterly

Payments are made within two months following the end of the quarter.

3.3 Security Fund for Fire and Explosion

- Insurance undertakings pay on the first day of each quarter a provisional payment of 3% on a quarter of total premiums, net of total or partial cancellations and rebates, written by them during the previous year. The final settlement is made at the close of each year and by no later than 31 March of the following year.
- Insurance undertakings which begin to cover risks referred to in the law of 30 July 1979, make payment to the Treasury within 15 days of the end of the quarter. This is done until the insurance undertaking's activities with regard to the risk have covered a complete year.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Belgium

4.1 Person liable to tax

4.1.1 All taxes

Annual premium tax must be paid by all insurers with their principal establishment, agency, branch, representative or office of any sort for business in Belgium. Those insurers must in addition deposit a "declaration of profession" at the registration office designated for this.

4.2 Nomination of a representative

Foreign insurers who have a branch, agency or office of any sort in Belgium are no longer obliged to designate a representative residing in Belgium.

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Centre de perception – Taxes diverses

Boulevard Roi Albert II 33 bte 431
1030 Bruxelles
E-mail: CPIC.TAXDIV@minfin.fed.be
IBAN: BE64 6792 0022 2952
BIC: PCHQ BE BB

5. Insurer not established in Belgium and not established in the European Economic Area (EEA)

5.1 Nomination of a tax representative

Insurance undertakings implicitly covered by the Royal Order of 30 July 1994 are those established in the EEA operating in Belgium by way of Freedom of Services (FOS). Insurers not established in the EEA may not in principle operate on the Belgian market without having obtained authorisation to open a branch in Belgium. Tax legislation is applicable to all. In order to be authorised, the tax representative must:

- Be resident in Belgium.
- Personally undertake in writing vis-à-vis the Belgian State to pay the tax and, where appropriate, interest and fines which may be due on contracts relating to risks situated in Belgium, for the insurance undertaking represented.
- Be publicly solvent.

Undertakings do not have to seek authorisation for their representative when they only offer contracts which are exempt from annual premium tax (eg when a foreign undertaking only offers individual life insurance contracts).

5.2 Person liable to tax

- Brokers and other intermediaries residing in Belgium who are involved in concluding contracts relating to risks situated in Belgium.
- The tax representative of the abovementioned foreign insurer whose authorisation is compulsory if the insurer concludes the same contracts without the intervention of a broker or other intermediary residing in Belgium.
- Insurance undertakings not established in Belgium, which do not have a representative who is liable for tax and which are involved in concluding insurance operations relating to risks situated in Belgium, without using intermediaries residing in Belgium.
- The policyholder in the absence of authorisation for a tax representative or in the absence of a broker or any other intermediary residing in Belgium and when the insurer not established in Belgium has failed to pay the tax.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Nomination of a tax representative

Insurance undertakings may arrange for authorisation of a representative who is liable for tax but it is not obligatory. In order to be authorised, the tax representative must:

- Be resident in Belgium.

- Personally undertake in writing vis-à-vis the Belgian State to pay the tax and, where appropriate, interest and fines which may be due on contracts relating to risks situated in Belgium, for the insurance undertaking represented.
- Be publicly solvent.

6.2 Person liable to tax

- Brokers and other intermediaries residing in Belgium, who are involved in concluding contracts relating to risks situated in Belgium.
- The tax representative of the abovementioned foreign insurer whose authorisation is possible if the insurer concludes the same contracts without the intervention of a broker or other intermediary residing in Belgium.
- Insurance undertakings not established in Belgium, which do not have a representative who is liable for tax and which are involved in concluding insurance operations relating to risks situated in Belgium, without using intermediaries residing in Belgium.
- The policyholder in the absence of authorisation for a tax representative or in the absence of a broker or any other intermediary residing in Belgium and when the insurer not established in Belgium has failed to pay the tax.

6.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

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IBAN: BE64 6792 0022 2952
BIC: PCHQ BE BB

Croatia

| Class of insurance | Premium tax | Parafiscal taxes |
|--|-------------|-------------------|
| Motor | | |
| - liability | 15% | 4% ⁽¹⁾ |
| - hull | 10% | 5% ⁽²⁾ |
| Fire | | 5% ⁽²⁾ |
| Other insurance for damage to goods | | 5% ⁽²⁾ |
| Marine/aviation hull | | 5% ⁽²⁾ |
| Other classes ⁽³⁾ | | 5% ⁽²⁾ |

- (1) 4% of the MTPL risk premium income (paid premium less administrative loading) paid monthly by the insurers as provisional payment to cover costs of the Croatian Institute for Health Insurance related to traffic accidents caused by insured motorists, with a final annual settlement based on actual expenses incurred.
- (2) Only for insurance contracts which also cover fire risks.
- (3) 0.20% of the premium income from tourism-related insurance risks (eg travel health insurance, travel assistance insurance) as contribution to the benefit of Croatia's tourist boards (tourist board levy).

1. Tax basis

1.1 Premium used to calculate tax

Tax is calculated on the insurance policy premium charged to the policyholder.

1.2 Premium used to calculate fire brigade tax

Article 46 of the Law on Fire Protection requires insurance companies to contribute "5% of the fire insurance premium".

2. Informing the policyholder

2.1 Premium tax

Premium tax is shown separately from the premium.

2.2 Fire brigade tax

There are no specific provisions about informing the policyholder. The tax cannot be charged to the policyholder.

3. Frequency of payment

3.1 Premium tax

Monthly, payable within 15 days following the end of the month.

3.2 Fire brigade tax

Monthly, payable within 15 days following the end of the month.

4. Insurer established in Croatia

4.1 Premium Tax

Tax is levied on the payment of premiums for insurance contracts concluded in Croatia.

4.2 Fire Brigade Tax

Tax is levied on the payment of premiums for insurance contracts concluded in Croatia.

4.3 Person liable to tax

The insurance company. According to Article 46 of the Law on Firefighting (Official Gazette of the Republic of Croatia „Narodne novine“ No 106/99, 117/01, 36/02, 96/03, 139/04, 174/04, 38/09, 80/10) insurance companies contribute „5% of the fire insurance premium“. The 5% FBT is charged on the amount of premium related to the fire risk (ie if an insurance policy covers more risks, only the premium paid for the fire risk is taken into account) and allocated monthly to the relevant bank accounts of the Croatian Firefighting Association and the county and regional fire brigades. The same procedure applies to both local and EU insurers operating under FOS.

4.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

4.4.1 Premium Tax

All taxes are revenues of the National Budget. Premium tax must be remitted to the regional tax administration office (Porezna Uprava at the Ministry of Finance) of the insurer's head office. Central Office of the Croatian Tax Administration:

Ministarstvo Financija Porezna Uprava (Ministry of Finance Tax Administration)
Boškovićeve 5
HR-10000 Zagreb
Tel: +385 1 48 09 000
<http://www.porezna-uprava.hr/en/Pages/default.aspx>

4.4.2 Fire Brigade Tax

The fire brigade tax revenues are allocated as follows: 30% to a separate bank account of the Croatian Firefighting Association, 30% to a separate bank account of the county fire brigades and of the Fire Brigade of the City of Zagreb and 40% to the account of the regional fire brigade where the insured risk is situated.

Head office of the Croatian Fire Brigade:

Hrvatska Vatrogasna Zajednica (Croatian Firefighting Association)
Selska cesta 90a,
HR-10000 Zagreb
Tel: +385 1 36 89 160
Fax: +385 1 30 25 026
Email: hvz@hvz.hr
<http://www.hvz.hr/en/>

4.5 Return of declarations - Payment of tax

4.5.1 Premium tax

Insurers established in Croatia must complete and submit the declaration form to the relevant tax authorities and pay the tax by no later than 15 days following the end of the month (declaration period). The declaration period is the calendar month.

4.5.2 Fire brigade tax

Payment is made within 15 days following the end of the month. Insurers are not obliged to submit a declaration form. However, the fulfilment of these commitments is supervised by the relevant local tax authorities.

4.6 Keeping accounting and tax documents

In compliance with the Croatian Accounting Act.

4.7 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit taxes, the relevant authority may impose a fine and undertake an assessment of the tax.

5. Insurer not established in Croatia and not established in the European Economic Area (EEA)

Required to establish a branch in Croatia with prior authorisation of the Supervisory Authority.

Cyprus

At policy issue or renewal

| Class of insurance | Stamp duty ⁽¹⁾ | Premium tax ⁽²⁾ | Motor guarantee fund ⁽³⁾ |
|--|---------------------------|----------------------------|-------------------------------------|
| Life | | 1.5% ⁽²⁾ | |
| - if sum assured < €854 | €2.00 | | |
| - if €854 < sum assured < €1 700 | €4.00 | | |
| - if €1 700 < sum assured < €8 500 | €7.00 | | |
| - if sum assured > €8 500 | €18.00 | | |
| Health | €2.00 | | |
| Accident | €2.00 | | |
| Motor Liability | €2.00 | | 5% ⁽³⁾ |
| Hail (including destruction of glasshouses and forcing frames in market gardening and horticulture) | €2.00 | | |
| Fire | | | |
| - if sum assured < €1 700 | €1.00 | | |
| - if sum assured ≥ €1 700 | €2.00 | | |
| Other insurance for damage to goods | €2.00 | | |
| Cross-frontier goods in transit | €2.00 | | |
| Marine hull | | | |
| - if sum assured < €350 | €1.00 | | |
| - if sum assured ≥ €350 | €2.00 | | |
| Other classes | €2.00 | | |

| Receipts issued for the collection of premium for all classes of insurance | Stamp duty ⁽¹⁾ |
|--|---------------------------|
| - if €4.00 < premium | €0.07 |

- (1) The stamp duty paid on all new policies is stated in the Stamp Duty Law 1963. This has been revised on 17 December 2012 and the amended law came into force on 1 March 2013. The maximum amount of stamp duty payable is €20 000.
- (2) The 2002 to 2012 income tax law states that life insurance companies' gross premiums are subject to a minimum tax of 1.5% of gross premium income.
- (3) Section 55 of the Insurance Companies' Law of 1967, which came into force in 1969, gave the Minister of Finance the power to set up a special Motor Insurer's Fund (MIF) which would cover the victims of uninsured drivers, unknown vehicles and vehicles insured with an insolvent Insurance Company. On 1st February 1969, the Motor Insurers' Fund was registered by the Registrar of Companies as a company limited by guarantee. The percentage of premium collected has been fixed at 5% since 1 January 2001.

1. Informing the policyholder

1.1 Stamp Duty

The amount of stamp duty is shown on the insurance policy.

1.2 Insurance Premium Tax

The amount of Insurance Premium tax is not shown on the insurance policy.

1.3 Motor Insurers Fund

The 5% fee payable to the MIF is shown on the insurance policy.

2. Frequency of payments

2.1 Stamp Duty

Stamp Duty is paid payable quarterly.

2.2 Insurance Premium Tax

Insurance Premium Tax is payable on 30 April, 31 August and 31 December every year.

2.3 Motor Insurers Fund

The Motor Insurers Fund fee is payable on a quarterly basis.

2.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

2.4.1 Further information can be obtained from: Motor Insurers' Fund of Cyprus

23, Zenon Sozos Street
P.O. Box 22030
CY – 1516 Nicosia
Tel: +357 22 45 29 90
Fax: +357 22 37 42 88

2.4.2 Insurers operating by way of FOS in Cyprus are required to nominate a tax representative. Further information can be obtained from

Ministry of Finance
Inland Revenue Department
CY - 1472 Nicosia
Contact: Ms Irene Danou, Senior Principal Assessor
Tel: +357 224 07 811
Email: idanou@ird.mof.gov.cy

Czech Republic

| Class of insurance | Premium tax | Parafiscal taxes |
|---------------------|-------------|--------------------------------------|
| Motor (MTPL) | | |
| - liability | | Contribution to loss prevention fund |
| | | (min 3%) |

From 1 January 2014 a parafiscal tax/charge is levied on motor (MTPL) insurance in the Czech Republic. It was introduced by Act No160/2013 Sb amending the Act No 168/1999 Sb, on motor insurance. The respective legislation also established the loss prevention fund operating within the Czech Insurers' Bureau, whose task is to collect the revenue of the parafiscal tax/charge and divide it among beneficiaries anticipated by the law (integrated rescue system, road safety program providers). Premium tax as such is not levied on any insurance class in the Czech Republic.

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Yearly premium income.

2. Informing the policyholder

2.1 Contribution to the loss prevention fund

The para-fiscal tax/charge is a part of the motor premium and is not shown separately from the premium. There are no specific provisions on informing the policyholder.

3. Frequency of payment

3.1 Contribution to the loss prevention fund

Quarterly. Each installment of the levy must be paid no later than the last day of the following month in which the quarter expires.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in the Czech Republic

The para-fiscal tax/charge is applicable to all members of the Czech Insurers' Bureau, ie all insurers operating the motor insurance in the Czech Republic (covering the MTPL risk located in the territory of the Czech Republic).

4.1 Person liable to tax

4.1.1 Contribution to the Loss Prevention Fund

The MTPL Insurer is the member of the Czech Insurer's Bureau.

4.1.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

The quarterly instalments of the levy must be remitted to the special account of the Czech Insurer's Bureau:

Česká kancelář pojistitelů
Na Pankráci 1724/129
140 00 Prague 4
Czech Republic
Tel: +420 221 413 111
Email: info@ckp.cz

Denmark

| Class of insurance | Other premium tax | 1.1% Premium tax ⁽¹⁾ | Parafiscal Taxes |
|--|------------------------|---------------------------------|---|
| | | | Contribution to flood damage and to replanting woods on private areas with forest preservations |
| Life | Exempt | Exempt | |
| Motor liability ⁽²⁾ | | | |
| - lorries (haulage contractors) | Exempt | Exempt | |
| - buses | 34.4% ⁽³⁾ | Exempt | |
| - mopeds | DKK230 (annual) | Exempt | |
| - other vehicles | 42.9% ⁽⁴⁾ | Exempt | |
| Fire | Exempt | 1.1% | DKK60 per contract per year |
| Yacht hull (home port Denmark) | 1.34% (on sum insured) | Exempt | |
| Mortgage guarantees | Exempt | Exempt | |
| Reinsurance | Exempt | Exempt | |
| Other classes | Exempt | 1.1% of premium | |

(1) All non-life insurance contracts include 1.1% premium tax except:

- contracts issued by mutuals which are not subject to supervision
- contracts for accidents at work
- marine, aviation and transport insurance
- credit insurance and guarantee insurance

A tax of DKK101 is levied on motor insurance contracts as a contribution to environmental protection to cover costs relating to the expense of scrapping cars. This tax only covers:

- vehicles used for the transport of up to 9 people (including the driver)
- vehicles used for the transport of up to 3,500kgs of merchandise

(2) Only applies to compulsory 3rd party motor insurance according to the road traffic act.

(3) The minimum legal tax threshold must be equal to at least 37.8% of indemnities.

(4) The minimum legal tax threshold must be equal to at least 47.2% of indemnities.

| Unofficial translations | |
|---|--|
| Præmieafgift | Premium tax |
| Erstatning for skader forårsaget af stormflod og tilskud til genplantning med robust skov på private fredsskovarealer | Contribution to flood damage and contribution to replanting woods on private areas with forest preservations |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The tax basis does not include brokers' or agents' commission.

1.2 Premium used to calculate parafiscal taxes

The amount used to calculate tax does not include premium tax.

2. Informing the policyholder

The tax is shown separately from the premium.

3. Frequency of payment

3.1 Premium Taxes

Monthly to the Danish tax authority (SKAT). See sections 4.2.1 & 4.2.2.

3.2 Contribution to annual flood damage

Monthly to the flood damage board (Stormrådet). See section 4.2.3.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Denmark

4.1 Person liable to tax

4.1.1 The 1.1% Premium tax

The insurer is liable for tax. The insured is however jointly and severally responsible for payment.

4.1.2. Other taxes

Insurer.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

4.2.1 The 1.1% Premium tax

SKAT Høje-Taastrup
Kundeservice – Erhverv
Afgørelser - Afgifter
Helgeshøj Allé 9
DK – 2630 Taastrup
Tel: +45 72 22 18 18

4.2.2 Other Premium taxes

SKAT København
Punktafgifter
Sluseholmen 8B

DK – 2450 København SV
Tel: +45 72 22 18 18

4.2.3 Contribution to Flood Damage and to replanting woods on private areas with forest preservations

Stormrådet
Konkurrence- og
Forbrugerstyrelsen
Carl Jacobsens Vej 35
DK – 2500 Valby
Tel: +45 71 50 00
Email: stormraadet@stormraadet.dk

4.2.4 Other taxes

SKAT (no physical access)
Tel: +45 72 22 18 18

5. Insurer not established in Denmark and not established in the European Economic Area (EEA)

5.1 Person liable to tax

Payment is carried out by a tax representative.

5.2 Appointment of a tax representative

A tax representative — who may be a natural person or a legal entity — must be appointed by the insurance undertaking. His nomination must be notified to the relevant tax authority (see section 4.2.1 (the 1.1% premium tax) and 4.2.2 (premium taxes)).

5.3 Return of tax declaration

The tax representative must complete and return to the tax authorities the nominative, computerised declaration form which he will have received from them and remit taxes.

5.4 Name and address of the tax authorities to which the appointment of the tax representative must be notified, to which taxes must be remitted and from which further information can be obtained if necessary

5.4.1 The appointment of the tax representative must be notified to:

See section 4.2.1 (1.1% premium tax) and 4.2.2 (other premium taxes).

5.4.2. Taxes should be paid to:

See section 4.2.1 (1.1% premium tax) and 4.2.2 (other premium taxes).

6. Insurer established in in the EEA operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

Insurer is not obliged to appoint a tax representative, in which case section 4 apply, but see also section 6.4.1.

Insurer may however choose, if preferred on administrative grounds, to appoint a tax representative, in which case payment is carried out by the tax representative.

6.2 Appointment of a tax representative

If insurer choose to appoint a tax representative — who may be a natural person or a legal entity — his nomination must be notified to the relevant tax authority (see section 4.2.1 (the 1.1% premium tax) and 4.2.2 (premium taxes)).

6.3 Return of tax declaration

If appointed, the tax representative must complete and return to the tax authorities the nominative, computerised declaration form which he will have received from them and remit taxes.

6.4 Name and address of the tax authorities to which the appointment of the tax representative must be notified, to which taxes must be remitted and from which further information can be obtained if necessary

6.4.1 The appointment of the tax representative must be notified to:

See section 4.2.1 (1.1% Premium tax) and 4.2.2 (other premium taxes).

In case no tax representative is appointed, the insurer undertaking itself is obliged to register by the Danish tax authorities.

6.4.2. Taxes should be paid to:

See 4.2.1 (1.1% premium tax) and 4.2.2 (other premium taxes).

Finland

| Class of insurance | Premium tax | Parafiscal taxes <i>Fire brigade charge</i> |
|---|--------------------|--|
| Life and pensions | Exempt | |
| Accident/health | Exempt | |
| Patient insurance ⁽¹⁾ | Exempt | |
| Credit insurance | Exempt | |
| Reinsurance | Exempt | |
| International Transport | Exempt | |
| Fire | 24% ⁽²⁾ | 3% |
| Motor liability ⁽³⁾ | 24% ⁽²⁾ | |
| Other classes | 24% ⁽²⁾ | |

(1) *Compulsory insurance which must be taken out by hospitals to cover bodily injuries suffered by patients in connection with either medical treatment or care.*

(2) *24% as from 1 January 2013.*

(3) *Parafiscal charge levied on motor liability insurance (traffic safety charge). This charge is set annually by the Ministry of Social Affairs and Health to finance the promotion of road safety. Every motor insurance company (established or operating by way of Freedom of Service (FOS)) are liable to this charge. For 2016, €9.1 million will be collected from motor insurers according to their share of motor insurance premium income. The charge is collected by the Motor Insurers' Centre, which all motor insurers have to join before writing motor liability insurance in Finland.*

Further information can be obtained from the Finnish Motor Insurers' Centre:

Liikennevakuutuskeskus
Bulevardi 28
FI - 00120 Helsinki
Tel: +358 40 450 4520
Fax: +358 40 450 4696

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The tax basis includes the broker's or agent's commission unless the amount of the brokers' commission is invoiced separately.

1.2 Premium used to calculate fire brigade charge

The amount used for calculating the fire brigade charge is the gross amount of the fire premium. For comprehensive policies (such as householders' all risks), the charge is calculated on the portion of the premium corresponding to the fire risk.

1.3 Fire insurance premium tax

Fire insurance premium tax is calculated on the value of the premium plus the fire brigade charge.

2. Informing the policyholder

Premiums are inclusive of premium tax and fire brigade charge. The insurer is not obliged to indicate the charge amount separately but it is common practice to indicate the amount of premium tax included in the premium.

3. Frequency of payment

3.1 Premium Tax

Payable monthly. Premium tax is paid and declared monthly not later than the 12th day of the calendar month following the month of the declaration. If tax is not paid within this period, penalties for late payment apply. Payments are made by bank transfer using the transfer order form attached to the monthly declaration.

3.2 Fire brigade charge

Annual. The date is chosen by the competent authority (Provincial State Office of Southern Finland).

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Finland

4.1 Person liable to tax

The insurer is liable to premium tax and fire brigade tax.

4.2. Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

4.2.1 Premium tax

Finnish Tax Administration
PO Box 5000
FI - 00053 Vero
Tel: +358 20 697 051

4.2.2 Fire brigade tax

Regional State Administrative Agency of Southern Finland
(Etelä-Suomen aluehallintovirasto)
Ratapihantie 9, PO BOX 110
FI - 00521 Helsinki
Tel: +358 295 016 000
Fax: +358 9 6150 0533

5. Insurer not established in Finland and not established in the European Economic Area (EEA)

5.1 Person liable to tax

5.1.1 Premium tax

Insured.

5.1.2 Fire brigade charge

Insured and broker.

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Premium tax

6.1.1 Person liable to tax

Insurer.

6.1.2 Appointment of a tax representative

Insurance undertakings not established in Finland but authorised to operate by way of FOS must designate a tax representative established or domiciled in Finland, responsible for declaring premium tax. The tax representative must be approved by the appropriate tax authority (Uusimaa Regional Tax Office). The tax representative has to be a Finnish company entered in the trade register and has to have sufficient skill and expertise to perform the functions of a representative.

6.1.3 Registration

The insurer is required to notify the Uusimaa Regional Tax Office before starting FOS business. The notification should be made on the form "start-up notification" Y1, Y2 or Y3 (www.ytj.fi).

6.1.4 Keeping records and accounts

The tax representative must keep, for a duration of five years following the FOS operation, all documents essential for determining and calculating the tax.

6.2 Fire brigade charge

6.2.1 Person liable to tax

Insurer.

6.2.2 Appointment of a tax representative

The insurer is obliged to nominate a tax representative domiciled or established in Finland responsible for declaring fire brigade charge.

6.2.3 Registration

Before any FOS operation in Finland, the name and address of the tax representative must be given to the Insurance Supervision Authority.

6.2.4 Return of declarations

Having received the names of insurers operating by way of FOS and their representatives from the Ministry of Social Affairs and Health, the Provincial State Office of Southern Finland will - in July of each year - ask the representatives for the information necessary to determine the correct amount of the fire brigade charge. The information must be submitted before 15 September.

6.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

France

| Class of insurance | Premium tax | | | | |
|--|--------------------------|---|--|------------------------------|----------------------------------|
| | | National guarantee fund (motor/hunting) | National agricultural catastrophe fund | Universal medical cover fund | Guarantee fund medical accident |
| Life or annuities | Exempt ⁽¹⁾ | | | | |
| Construction | | | | | |
| - craftsmen and constructors' 10 year guarantee | 9% | | | | |
| - works damage | 9% ⁽²⁾⁽³⁾⁽⁴⁾ | | | | |
| - single site policy | 9% ⁽²⁾⁽⁴⁾ | | | | |
| Hunting (liability) | 9% | €0.02 per person covered | | | |
| Carriers' liability | Exempt | | | | |
| Medical liability | 9% | | | | €25, 20 or 15 per person covered |
| Agricultural damage | Exempt | | 5.5% ⁽⁵⁾ | | |
| - frost, storm, affecting crops | Exempt | | Exempt | | |
| Motor | | | | | |
| - liability | 33% | 1.2% + 0.8% | | | |
| . utility farm vehicles | 15% ⁽¹¹⁾ | 1.2% + 0.8% | 5.5% ⁽⁵⁾ | | |
| . motor vehicles with a weight exceeding 3.5 t | 15% ⁽¹¹⁾ | 1.2% + 0.8% | | | |
| - accidental damage, aid of vehicles | 18% ⁽²⁾⁽⁴⁾ | | | | |
| . utility farm vehicles | Exempt ⁽²⁾⁽⁴⁾ | | 5.5% ⁽⁵⁾ | | |
| . motor vehicles with a weight exceeding 3.5 t | Exempt ⁽²⁾⁽⁴⁾ | | | | |
| . Legal protection for drivers, aid of persons | 12.5% ⁽¹⁰⁾ | | | | |
| Fire | | | | | |
| - normal rate | 30% ⁽²⁾⁽⁴⁾ | | | | |
| - goods related to craft, business and industrial activities and non-exempt farm goods | 7% ⁽²⁾⁽⁴⁾ | | | | |
| - related business interruption | 7% ⁽²⁾⁽⁴⁾ | | | | |
| - agricultural risks | Exempt ⁽²⁾⁽⁴⁾ | | 5.5% ⁽⁵⁾ | | |
| - "caisses départementales" ⁽⁶⁾ | 24% ⁽²⁾⁽⁴⁾ | | | | |
| Goods in transit | Exempt ⁽²⁾ | | | | |
| Marine | | | | | |
| - sport, pleasure | 19% ⁽²⁾ | | | | |
| - fishing, commercial craft | Exempt ⁽²⁾ | | | | |
| Aircraft | Exempt ⁽²⁾ | | | | |
| Export credit insurance | Exempt | | | | |
| Health | | | | | |
| - indemnities and reimbursement included in health insurance | | | | | |
| . Joint and responsible contracts ⁽⁷⁾ | Exempt | | | 13,27% ⁽⁸⁾ | |
| . Other contracts | Exempt | | | 20,27% ⁽⁸⁾ | |
| - agricultural operators | | | | | |
| . supplementary health insurance | Exempt ⁽⁸⁾⁽⁹⁾ | | | 6,27% ⁽⁸⁾ | |
| . occupational illness | Exempt ⁽⁸⁾⁽⁹⁾ | | | 6,27% ⁽⁸⁾ | |
| Legal protection | 12.5% ⁽¹⁰⁾ | | | | |
| Long-term care insurance | Exempt | | | | |
| Reinsurance | Exempt | | | | |
| Other classes | 9% ⁽²⁾⁽⁴⁾ | | | | |

- (1) *This exemption does not concern supplementary insurance taken out at the same time as a life contract and guaranteeing the insured against permanent or temporary disability following an accident or an illness or the doubling of the capital sum in the event of death following an accident.*
- (2) *Tax has had to be paid to the "Common Fund for Victims of Terrorism" on property insurance contracts. In 2016 the rate is €4.30 per contract.*
- (3) *Premiums are exempt when the cover applies to buildings used for agricultural purposes.*
- (4) *Law 95-101 (article 13) 2 February 1995 established a deduction based on additional premiums relating to cover for natural catastrophe risks on behalf of the "Major Risk Prevention Fund". Until 21 March 2009, the rate was 8%. The rate is 12% for the premiums issued from that date onwards.*
- (5) *With regard to agricultural loss or damage, it only applies to contracts covering loss or damage to buildings and (dead) livestock belonging to agricultural operations.*
- (6) *Survival of charity institutions from the "Ancien Régime", the "Bureau des Incendiés"; rate applicable to insurance policies taken out by these funds.*
- (7) *A contract is said to be joint and several if the premium is not fixed in the light of the state of health of the insured. For individual or optional group contracts, it is in addition required that the insurer does not collect medical information from the insured under the contract or from persons wishing to benefit from cover. A contract is defined as responsible when it provides both the guarantees and exclusion of expenses foreseen in the social security code. The law of 19 December 2007 for financing social security for 2008 completes the list of exclusions.*
- (8) *Since 2016, for health contracts, the IPT and the Tax for Universal medical cover fund are fused in a new "additional tax for solidarity" and these contracts are exempted from IPT.*
- (9) *Since 2010, the insurance entities have to pay a complementary contribution in order to finance certain health measures.*
- (10) *The tax rate applied on legal protection insurance policies increased from 9% to 11.6% as from 2015, then to 12.5% as of 2016 except for the legal protection insurance policies whose sole purpose (or principal purpose) is to cover criminal defence and recourse risks, following an accident.*
- (11) *Since 2016, the specific contribution on motor insurance is deleted and its amount integrated in the IPT of motor insurance contracts.*

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Tax is levied on the amount of the stipulated sums benefiting the insurer and all associated additional charges from which he benefits directly or indirectly because of the insured (General Tax Code, art. 991, 2nd sub-paragraph).

This very broad wording makes it possible to include, in addition to premiums and increases, all sums or advantages which can be monetarily assessed and from which the insurer benefits by virtue of general or special clauses in contracts or riders.

Commission for agents responsible for recovery, which insurance companies may add to the premium, is an associated additional charge to it and liable to tax. On the other hand, commission paid directly by the insured to the agents of certain companies or to brokers and which is not included in the insurer's books is not taxable.

1.2 Premium used to calculate parafiscal taxes

The tax basis is the same as that defined under 1.1. It does not therefore include premium tax payable by law and not by stipulation of the parties and which does not directly or indirectly benefit the insurer.

2. Informing the policyholder

No legal or statutory provision obliges insurance companies to indicate explicitly the parafiscal taxes levied or their amount. Company practice differs.

3. Frequency of payment

3.1 All taxes

The event generating tax is the premium renewal date. Payment is monthly, within 15 days following the end of the month when the premium was issued.

The penalties which apply for delayed or non-payment of premium or parafiscal taxes are 0.4% (from the 1 January 2006) 0.75% (before this date) for delay per month to which is also added an increase of 5% of the amount of the payment that has been deferred.

When this sum exceeds €1,500, payment must be by direct transfer to a Bank of France treasury account and is subject to a fine. The total of the fine is 0.2% of the sum due.

3.2. Absence or delay in submitting the declaration

A monthly tax declaration must be made on form 2787. Failure to do so or delay in payment shall be penalised by interest for delayed payment and an increase of 10%.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in France

4.1 Person liable to tax

The insurer is liable to tax. However, the insurer, intermediary or policyholder are jointly and severally liable for payment of the tax where appropriate.

4.2 Tax returns

In the first fortnight of each month, the insurer must indicate the tax due on premiums issued the previous month. The tax is paid by the insurer to the tax office of the place of his principal establishment or for some insurers, to the "Direction des grandes entreprises" (DGE).

5. Insurer established in the European Economic Area (EEA) operating by way of Freedom of Services (FOS)

5.1 Person liable to tax

The insurer is liable to tax. However, the insurer, intermediary or policyholder are jointly and severally liable for payment of the tax where appropriate.

The rectificative law of finance for 2009, referenced 2009-1674 and dated from 30 December 2009, abolished the obligation for foreign insurers established in the EEA to designate a French representative personally liable for the tax or any penalties.

When due on policies concluded with foreign insurers established in the EEA with no establishment, agency or branch in France and concluded via a broker or any other intermediary residing in France, the tax is payable by the intermediary. The policyholder can be liable for the payment of the tax.

5.2 Keeping accounting and tax documents

When the foreign insurer established in the EEA has no establishment, agency or branch in France, the intermediary must keep a list established under the conditions laid down in Article 1002 of the General Tax Code and enter all insurance operations concluded by the foreign insurers established in the EEA. An extract from this list must be made quarterly and deposited with the tax services receiving payment.

5.3 Tax returns

The rules should be the same than the ones for the insurer established in France. Due to the reform provided by the rectificative law of finance for 2009, some new information are expected from the fiscal administration.

6. Insurer not established in France and not established in the EEA

6.1 Person liable to tax

Payment of taxes on insurance contracts and their associated additional charges is made by a tax representative.

6.2 Appointment of a tax representative

Insurance undertakings not established in France and not established in the EEA must appoint a representative. The representative - resident in France - may be a physical person or a legal entity; it may also be an establishment which the services undertaking has in France.

The appointment of the representative is made in the form of a simple, signed and dated letter from a person qualified to commit the foreign undertaking. The representative must undertake to pay all duties and penalties.

6.3 Tax returns

In the first fortnight of each month, the representative must indicate the tax due on premiums stipulated for the foreign insurer and issued the previous month and pay this tax within the same period to the tax office of his domicile.

Germany

| Class of insurance | Premium tax | Parafiscal taxes <i>Fire protection tax</i> |
|---|-------------------------------------|--|
| Life | Exempt | |
| Fire and fire business interruption ⁽¹⁾ | 22% (on 60% of the premium) | 22% (on 40% of the premium) |
| Hail ⁽²⁾ (including destruction of glasshouses and forcing frames in market gardening and horticulture) | 0.3‰ (on sum insured for each year) | |
| Residential building | 19% (on 86% of the premium) | 19% (on 14% of the premium) |
| Home contents | 19% (on 85% of the premium) | 19% (on 15% of the premium) |
| Individual accident | 19% | |
| - with premium return | 3.8% | |
| Health ⁽³⁾ | Exempt | |
| Marine hull | 3% | |
| Goods in transit | | |
| - in Germany | 19% | |
| - international | Exempt | |
| Livestock ⁽⁴⁾ | 19% | |
| Reinsurance ⁽⁵⁾ | Exempt | |
| Other classes ⁽⁶⁾ | 19% | |

- (1) Contributions not higher than €5 500 to private fire damage supporting funds are exempt.
- (2) Including destruction of glasshouses and forcing frames in marketing gardening and horticulture and other climate induced risks as storm, freeze, heavy rain or flood (agricultural insurances only) (since 2013).
- (3) Including long-term care insurance.
- (4) Premiums for livestock insurance are tax exempt if the sum insured is under €4 000.
- (5) Except reinsurance of insurance contracts under which the insurer provides suretyship or other security for the policyholder.
- (6) Before 1 January 2016 prorated contribution of private marine profit distribution funds.

| Unofficial translations | |
|---------------------------------------|----------------------------|
| Versicherungsteuer | Premium tax |
| Feuerschutzsteuer | Fire protection tax |
| Seeschiffskaskoversicherung | Marine hull insurance |
| Versicherungsteuergesetz (VersStG) | Insurance premium tax act |
| Feuerschutzsteuergesetz (FeuerschStG) | Fire protection tax act |
| Abgabenordnung (AO) | The Fiscal Code of Germany |
| Bundeszentralamt für Steuern | Federal Central Tax Office |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate premium tax

The basis of assessment of premium tax is the premium which must be paid to the insurer to obtain the insurance cover. Advances, additional payments, charges, policy drafting fees and other ancillary costs and — if the risk fire is insured — the fire protection tax are also included in the premium. The premium tax is levied in addition to the actual premium and invoiced to the policyholder.

1.2 Premium used to calculate fire protection tax

The basis of assessment of the fire protection tax is identical to the basis of assessment of the premium tax (see section 1.1). However, the tax amount is not levied in addition to the actual premium but is calculated from the amount. The tax must be borne by the insurer on a declaratory basis and cannot therefore be requested in addition from the policyholder, as is the case with premium tax.

2. Informing the policyholder

2.1 Premium tax

From 1 January 2014 insurers have the obligation to show the tax-rate, tax-amount and tax-number by the tax authority on the invoice. If no tax is to be charged the relating section of the tax-code (with the exemption) is to be named by the insurer.

2.2 Fire protection tax

Even after 1 January 2014 the tax does not need to be shown in the premium invoices (ie separately from the cost of the insurance). It is also not standard practice to refer to it in the premium invoice.

3. Frequency of payment

3.1. Premium tax

Monthly, payable within 15 days following the end of the month (or tax return period). If the total tax for the previous calendar year amounted to no more than €6 000 then the tax return period is the calendar quarter. If the total tax for the previous calendar year amounted to no more than €1 000 then the tax return period is the calendar year. If the tax office is unable to determine the basis for taxation or can only do so with a disproportionate amount of expenditure, the calculation and payment may be permitted on a flat-rate basis.

3.2 Fire protection tax

In principle monthly, payable within 15 days following the end of the month. Payment have to be made within 15 days of the end of a quarter if the total tax for the previous calendar year amounted to no more than €2 400 (since 2014). If the total tax for the previous calendar year amounted to no more than €400 then the tax return period is the calendar year.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Germany

4.1 Event generating tax

4.1.1 Premium tax (§1 VersStG)

Premium tax is levied on the payment of premiums for insurance contracts. The obligation to pay the tax to the German tax authorities relates to risks situated in Germany. The situation of the risk is determined by §1 of the Insurance Premium Tax Act (Versicherungsteuergesetz; VersStG) in accordance with the definition in article 2 (d) in liaison with article 25 sub-para. 2 of the 2nd Non-life FOS Directive (88/357/EEC) (OJEC No. L172 of 4.7.1988, p.1); and article 46 sub-para. 2 of the 3rd Single Licence Directive (92/49/EEC) (OJEC No. L228 of 11.8.1992, p.1).

4.1.2 Fire protection tax (§1 FeuerschStG)

Fire protection tax is subject to the receipt of the insurance payments from the insurance policies specified in §1 of the fire protection tax act (Feuerschutzsteuergesetz; FeuerschStG). This includes fire insurance policies (including fire/business interruption insurance) and insurance of residential buildings and home contents, if part of the insurance payment is allocated to risks which are the subject of fire insurance (homeowner's comprehensive insurance, household comprehensive insurance). The items insured must be located within the territory of the country when the insurance payment is received.

4.2 Person liable to tax

4.2.1 Premium tax

The policyholder is liable for the tax. Insurers with their head office or a branch in Germany must themselves or by means of a paying-in agent receive it, declare it to the tax authorities and pay it on behalf of the policyholder (§7 (1), §8 (1) VersStG).

4.2.2 Fire protection tax

In principle the insurer is liable for tax and must pay it; for operations by way of establishment in Germany, it is the establishment (§5 FeuerschStG).

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

The Federal Central Tax Office is exclusively responsible:

Bundeszentralamt für Steuern
Hauptdienstszitz Bonn-Beuel
An der Kuppe 1
53225 Bonn
Tel: +49 228 406 1222
Fax: +49 228 406 3801
www.bzst.de
Email: versicherungsteuer@bzst.bund.de or feuerschutzsteuer@bzst.bund.de

Information leaflets in english language: www.bzst.de/EN/Steuern_National/Versicherung_Feuerschutzsteuer/Merkblaetter/merkblaetter_node.html

4.4 Return of declarations — Payment of tax

Insurers established in Germany must complete and submit the declaration form to the Federal Central Tax Office

(Bundeszentralamt für Steuern) and pay the tax by no later than 15 days after the end of the tax return period (declaration period). The tax return period is the calendar month.

If the total tax for the previous calendar year amounted to no more than €6 000 (€2 400 for fire protection tax) then the tax return period is the calendar quarter. If the total tax for the previous calendar year amounted to no more than €1 000 (€400 for fire protection tax) then the tax return period is the calendar year.

The declaration must be submitted every month, every quarter or every year even if the insurer has not received premiums during the period in question. Payment of the tax can be made by direct debit, cheque or bank transfer. Payments by cheque are only deemed to have been paid three days after receipt. Tax must be paid in euros. Forms and bank-account details can be obtained from:

- www.bzst.de (see "Steuern National taxes; Insurance tax and fire protection tax)
- www.bundesfinanzministerium.de (see "Service"/"Formulare"/"Formulare Management-System"/"Formularcenter"/"Unternehmen"/"Versicherungsteuer" or "Feuerschutzsteuer")
- www.formulare-bfinv.de

4.5 Legal obligations to keep records

§10 VersStG and §9 FeuerschStG bind insurers and authorised agents to keep extensive records of the tax determined and the basis for its calculation. From 1 January 2014 this obligation has been extended (§7 (8) VersStG).

4.6 Keeping accounting and tax documents

The insurer / establishment must retain documents used for declaring tax for the usual periods (§147 General Tax Code [Abgabenordnung, AO]) ie books, records and accounting vouchers, etc for a period of 10 years; correspondence received and sent and other documents only relevant to taxation for a period of 6 years.

4.7 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not fulfil his statutory obligation to notify and pay the tax, surcharges can be levied for the failure to pay or for delay in payment and the tax can be estimated by fiscal authorities (§§152, 162, 240 AO). The interest due on payments of tax arrears (§233a AO) cannot be deducted as business expenses (§10 No 2 of the Corporation Tax Law [Körperschaftsteuergesetz, KStG]). If the tax claim cannot be enforced against the insurer, it is possible to claim against the insured as being jointly and severally liable for the insurance premium tax collectively with the insurer.

5. Insurer not established in Germany and not established in the European Economic Area (EEA)

5.1 Event generating the tax

5.1.1 Premium tax

Premium tax is levied on premiums for insurance contracts (§1 (1) VersStG). The tax obligation arises from the fact that the policyholder has his head office or habitual residence in Germany or if the insurance covers an object located in Germany when the contract was concluded (§1 (3) VersStG).

5.1.2 Fire protection tax

See section 4.1.2

5.2 Person liable to tax

5.2.1 Premium tax (§7 VersStG)

The person liable to tax is the policyholder. If the insurer has nominated an agent on the territory of EEA signatory states to collect premiums (paying-in agent = Inkasso-Bevollmächtigter) the latter must declare and remit the tax (§7 VersStG).

If a foreign insurer has not designated a premium agent, tax must be declared and remitted by the policyholder.

5.2.2 Fire protection tax (§5 (2) FeuerschStG)

If the insurer has designated a premium agent in Germany, the agent is liable for tax. He must declare and remit the tax (§8 (1) FeuerschStG). In all cases to the contrary, the person liable for the tax is the policyholder (§5 (2) FeuerschStG). In this case, he must declare and submit the tax (§8 (4) FeuerschStG).

5.3 Keeping accounting and tax documents

With regard to the obligations facing the person liable for tax with regard to the retention of documents see section 4.6.

5.4 Sanctions envisaged in the event of non-payment of taxes

With regard to the sanctions envisaged in the event of non-payment of taxes see section 4.7.

5.5 Legal obligations to keep records

Section 4.5 applies accordingly to duly authorised agents.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Event generating tax

See section 4.1

6.2 Person liable to tax

The insurer is liable to the Premium tax and fire protection tax (§§7, 8 (1) VersStG; §§5, 8 (1) FeuerschStG). If an agent is authorised to receive premiums, he is liable for the tax. The nomination of a tax representative is not required.

6.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.3

6.4 Return of declarations — Payment of tax

See section 4.4

6.5 Legal obligations to keep records

Insurers not established in Germany must provide the Federal Central Tax Office with a complete list in writing of the insurance relationships relating to risks located in Germany if so requested. Section 4.5 is applicable in this respect.

6.6 Legal obligations to preserve records

See section 4.6

6.7 Sanctions envisaged in the event of non-payment of taxes

See section 4.7

Greece

| Class of insurance | Premium tax ⁽¹⁾ [ex FKE] | Parafiscal taxes | | |
|---|--|----------------------------|----------------------|------------------------------------|
| | | Ex road tax ⁽⁴⁾ | Motor guarantee fund | Life guarantee fund ⁽⁵⁾ |
| Life ⁽²⁾ | | | | |
| - contracts less than 10 years | 4% | | | 1.5% max (see section 1.4) |
| - contracts more than 10 years | Exempt | | | |
| Liability | 15% | | | |
| Motor | | | | |
| - all risks excluding fire | 15% | 0,6% | | |
| - fire | 20% ⁽³⁾ | 0,6% | | |
| - liability | 15% | 0,6% | 6% ⁽³⁾ | |
| Fire | | | | |
| - normal tariff (excluding earthquake and terrorism) | 20% | | | |
| - damage caused by strikes, earthquakes, explosion, terrorism | 15% | | | |
| - tobacco growing | 15% | | | |
| Health | 15% | | | |
| Accident | 15% | | | |
| Marine/aviation | | | | |
| - hull/construction | 15% | | | |
| Goods in transit | | | | |
| - in Greece | 15% | | | |
| - international | 15% | | | |
| Reinsurance | Exempt | | | |
| State export credit | 15% | | | |
| Other classes | 15% | | | |

- (1) By law 3492/2006, turnover tax (FKE) has been renamed as premium tax. Recently, by law 4334/2015, the tax rate on premiums of all insurance branches was increased to 15% (from 10%), except for fire and life insurance for which the rates remained the same. In addition, the law abolishes all exemptions from premium tax, with the only exception of life insurance contracts. These contracts are exempt from premium tax under the condition that their duration is more than 10 years. Reinsurance premiums continue to be exempted.
- (2) All additional clauses are subject to a tax of 15% per year.
- (3) Since 1 February 2013 the rate of the contribution paid to Motor Guarantee Fund increased from 5% to 6% pursuant to a decision of the supervisory authority (BoG). This decision has also changed the basis for the calculation of such contribution, calculated since 1 February 2013 as well on gross written premium for the motor liability class (class N° 10, Annex A, 73/239/EEC). 70% is financed by the insurer and 30% by the insured.
- (4) Pursuant to Law 4250/2014 the public enterprise TEO SA to which road tax was paid was abolished on 26 March 2014. However, the 0.6% of the ex tax road which the motor third party liability (MTPL) insurance companies pay to the Motor Guarantee Fund has been preserved.
- (5) By law 3867/2010 an insurance guarantee scheme was established in the life insurance sector, named as "private life guarantee fund" (PLIGF). The fund's source of income is derived from the contributions made by life insurance

companies which are equally shared and paid by the life insurance companies and by the policyholders. The contribution level is set up to 1.5% max of life gross written premiums. The way this percentage is applied per category of insurance policy has been specified by decision of the Bank of Greece (see section 1.5).

Important note: Contributions of employers to the Pension Fund calculated over collected premiums that appeared in the previous tables were annulled from 1 January 2015, pursuant to law 4254/2014. Following an agreement between employers and employees, employers' contributions for 2015 were paid exceptionally and on a transitional basis upon premium production. The issue on employers' contribution is still open for 2016.

| Unofficial translations | |
|---|-----------------------------------|
| Foros Asfalistron (Ex Foros Kykloy Ergassion) | Premium tax (ex Turnover Tax-FKE) |
| Tamio Epagelmatikis Asfalis Epikourisis Asfaliston & Propolikou Asfalistikon Epihiriseon (Tea-Eapae) | Pension fund |
| Foros Yper Pyrosvestikis Ypiressias | Fire brigade tax |
| Eggyitiko Kefalaio Idiotikh Asfalis Zois | Life guarantee fund |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium tax (ex Turnover tax-FKE)

The object of the premium tax is all premiums written in a quarter plus policy duties¹, less premiums corresponding to cancelled contracts for the same quarter and policy duties for these cancelled contracts. Basis for the calculation is premiums and policy duties.

1.2 Ex road tax

The amount used to calculate road tax is net premiums (including the intermediary's commission). According to a circular of the Ministry of Finance, (A. 24914/1218/271.1978) road tax is not subject to tax premium.

1.3. Motor guarantee fund tax

The basis for the calculation is premiums and policy duties.

1.4. Life guarantee fund

Contributions paid to the Fund are calculated upon life gross written premiums (health riders premiums not included). By decision of the Bank of Greece, contribution percentage being differentiated per insurance branch was set up to charge:

- 1.5% on premiums of all life insurance branches, with the following exceptions:
- 1% on premiums of annuities (insurance branch I.2- article 13 par.2 decree law 400/70)
- 0.8% on premiums of unit linked products (insurance branch III -article 13 par.2 decree law 400/70)
- 0.3% on premiums of group pension funds (insurance branch VII - article 13 par.2 decree law 400/70)

The maximum limits for the calculation of levies of the above cases are for the lump sum paid premiums €20 000 and for the periodically paid premiums €2 000 annually.

¹ The "policy duty" is a percentage of the premium which is returned to the insurance company. The amount is fixed at the discretion of the insurance company.

2. Informing the policyholder

All insurance contracts include an analysis of premiums so that the insured knows the amount of tax imposed.

3. Frequency of payment

3.1 Premium tax (ex Turnover tax-FKE)

Payable quarterly within 90 days of the end of the quarter by cheque (June for January, February, March; September for April, May, June; December for July, August, September; March for October, November, December).

3.2 Ex road tax

Payable quarterly within 30 days of the end of the quarter by cheque.

3.3 Motor guarantee fund

Every two months within 15 days of the end of the two-month period.

3.4 Life guarantee fund

Every two months within one month from the end of the two-month period (starting from 1 January 2011).

4. Penalty payments if tax is not duly paid

Various fines in the form of an additional tax levied per month of delay, as follows:

- 1.5% of the tax in the case of delayed statement
- 3% of the tax in the case of inaccurate statement
- 3.5% of the tax in the case of no statement

Special rules applicable depending on the method of establishment of the insurance company

5. Insurer established in Greece

5.1 Person liable to tax

The insurer is liable to all taxes. In the event of non-payment of the tax by the insurer, no one else is jointly and severally liable for payment.

5.2 Name and address of the tax or other authorities to which taxes must be remitted and from which further information can be obtained if necessary

5.2.1 Premium tax

DOY / Dimossia Ikonomiki Ypiressia
(Athens company department)
Thisseos 55
GR - 17671 Kalithea

5.2.2 Ex road tax

Ethniki Trapeza Ellados
National Bank of Greece
Account n° 507007 44

5.2.3 Motor guarantee fund

Ethniki Trapeza Ellados
National Bank of Greece
Constitution Square Agency (Syndagma)
Account n° 104 480411 28

5.2.4 Life guarantee fund

Bank of Greece
3 Amerikis Street,
GR -102 50 Athens
www.pligf.gr

5.3 Deposit of declarations

The tax representative, when depositing the declaration of payment of premium tax for the last quarter of the previous year, must submit to the Athens taxation department for limited companies (DOY) the complete list of all insurance contracts issued by the insurance company which he represents and whose premiums are subject to indirect taxation in accordance with existing Greek legislation.

In this list, drafted in Greek, must be shown the references of the undertaking represented, the references of insureds and the amounts of premiums for the previous year.

5.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 5.2

6. Insurer not established in Greece and not established in the European Economic Area (EEA)

There are no tax provisions for non-established insurers except for insurers established in the EEA and operating by way of Freedom of Services (FOS). See section 7.

7. Insurer established in the EEA operating by way of Freedom of Services (FOS)

7.1 Person liable to tax

The tax representative is liable for all taxes. The representative and the insurance undertaking are jointly and solidly liable for the application of the provisions relating to premium tax.

7.2 Nomination of a tax representative

Any insurance undertaking established in another EEA Member State must nominate a tax representative in accordance with the provisions of article 36 paragraph 4d of law 2859/2000 (ex article 29 paragraph 4d of law 1642/86). A tax representative may be any natural person or legal entity with the head office of his professional activity or permanent domicile in Greece.

The nomination must be made before the conclusion of any insurance contract, by depositing a copy of the relevant deed with the head of the Athens taxation department for limited companies (DOY) competent for the taxation of the representative's income. This copy must be written in or translated into Greek and certified by the consular authority of the head office country of the insurance undertaking.

Once the nomination has been deposited, the tax representative receives a registration number which remains the same for the company represented even if the person of the representative changes.

The tax representative has the same tax obligations and rights as insurance undertakings established in Greece.

7.3 Deposit of declarations

The tax representative - when depositing the declaration of payment of premium tax for the last quarter of the previous year - must submit to the Athens taxation department for limited companies (DOY) the complete list of all insurance contracts issued by the insurance company which he represents and whose premiums are subject to indirect taxation in accordance with existing Greek legislation.

In this list, drafted in Greek, must be shown the references of the undertaking represented, the references of insureds and the amounts of premiums for the previous year.

7.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 5.2

Hungary

| Class of insurance | Premium tax | Parafiscal taxes <i>Compensation fund</i> |
|--|-------------|--|
| Life | Exempt | Exempt |
| Health | Exempt | Exempt |
| Accident | 10% | Exempt |
| Motor liability* | 30% | 1% |
| Hail (including destruction of glasshouses and forcing frames in market gardening and horticulture) | 10% | Exempt |
| Fire | 10% | Exempt |
| Other insurance for damage to goods | 10% | Exempt |
| - Excluding - Casco | 15% | Exempt |
| - Agricultural risk | Exempt | Exempt |
| Cross-frontier goods in transit | 10% | Exempt |
| Marine hull | 10% | Exempt |
| Export credit | 10% | Exempt |
| Livestock | 10% | Exempt |
| Reinsurance | Exempt | Exempt |
| Other classes | 10% | Exempt |

* The tax for motor liability is called accident tax

There is a payment for the various classes of non-life insurance as follows (first non-life directive, annex 1, A. Classification of risks according to classes of insurance):

- Land vehicles (other than railway rolling stock)
- Railway rolling stock
- Aircraft
- Ships (sea, lake and river and canal vessels)*
- Goods in transit (including merchandise, baggage and all other goods)
- Fire and natural forces
- Other damage to property
- Motor vehicle liability
- Aircraft liability

General rules applicable to all insurance companies

Since 1 May 2004 EEA companies have also been able to operate in Hungary under freedom to provide services. So far approximately 280 companies have registered with the supervisory authority. The rules for premium tax also apply to branch offices from the European Economic Area (EEA) and other countries and to services provided under the Freedom of Services (FOS) if the risk is situated in Hungary.

1. Premium tax

1.1 Person liable to tax

The insurance companies are liable.

1.2 Tax basis

The insurance premium. If the premium income of the branch in previous year exceeds the limit of 8 Billion Forint (HUF), than the tax rates amount 10 or 15%. If the premium income of the branch in previous year stays under the limit of 8 Billion HUF, than the premium income of each month has to be considered according the following principles. If the premium income in a branch amounts more than 700 Million HUF within a month, than the tax rates 10 or 15 % are to apply. If the premium income in a branch amounts less than 700 Million HUF within a month but more than 100 Million HUF, then the tax rates 5 or 7.5 % are to apply. If the premium income in a branch amounts less than 100 Million HUF within a month then the tax rates 2.5 or 3.75 % are to apply.

1.3 Name of tax authorities to which tax return/payment must be remitted

Each insurance company has to impose tax jointly, collect it and forward to:

National Tax and Customs Authority (NAV) of Hungary
Account number: NAV Biztosítási adó beszédési számla 10032000-01076318 Code 200
Tax return form "Form 1320B" has to be completed.

2. Accident tax

2.1 Person liable to tax

The accident tax is paid by the policyholder.

2.2 Tax basis

The insurance premium and/or the premium for uncovered period if not insured (called sanction fee). However, during the insured period the maximum amount of the tax is limited to 83 HUF/day.

2.3 Name of tax authorities to which tax return/payment must be remitted

Each insurance company has to impose tax jointly, collect it and forward to:

National Tax and Customs Authority (NAV) of Hungary
Account number: NAV Baleseti adó beszédési számla 10032000-06055936 Code 218
Tax return form "Form 1210B" has to be completed.

3. Compensation fund for motor liability

3.1 Person liable to tax

The law of insurance fund and funded by the insurer (hereinafter insurer liquidation) at the time of the injury insurance that cover damage caused by an operator for the cover, which is opposed to the Bit. begun under the winding-up proceedings.

3.2 Tax basis

The basis for tax assessment is the premium of motor liability. The tax rate is 1% from 1 January 2010.

3.3 Payment

The insurance companies have to pay the tax. Quarterly 0.25% to account number: MABISZ Kártalanítási Alap 10300002-20326416-49020188.

4. Informing the policyholder

No information about the premium tax is provided in the receipt for the insured.

Iceland

| Class of insurance | Parafiscal taxes ⁽¹⁾ | | |
|--|---------------------------------|--------------------------------------|--|
| | Building safety fee | Fire valuation fee | Prevention tax (avalanche and landslide) |
| Pension (capitalisation) | | | |
| Fire | 0.0045% sum insured | | |
| - real estate (excluding ships and aircraft) | 0.0045% sum insured | 0.00021% ⁽²⁾ sum insured | 0.03% sum insured |
| Household and property multirisk | | -0.00021% ⁽²⁾ sum insured | |
| Motor | | | |
| Compulsory third party | | | |
| Marine and transport | | | |
| Livestock | | | |
| Accident, health, travel | | | |
| Reinsurance | | | |
| Other classes | | | |

(1) A law, which entered into force on 1 January 2014, abolished all previously applicable stamp duty on insurance policies.

(2) Since 1 August 2008

| Unofficial translations | |
|--------------------------|--|
| Brunavarnagjald | Building safety fee |
| Umsyslugjald | House valuation tax |
| Gjald til Ofanflodasjods | Prevention tax (avalanche and landslide) |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The basis of the tax includes brokers' and agents' commission.

2. Informing the policyholder

Taxes are indicated separately from the amount of the premium.

3. Frequency of payment

3.1 Fire Prevention Tax

Quarterly.

3.2 House Valuation Tax

Monthly.

3.3 Prevention Tax (Avalanche and Landslide)

Monthly.

4. Person liable to tax

The insurer is liable to all taxes.

5. Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

5.1 Fire prevention tax

Brunamálastofnun ríkisins
Laugavegur 59
IS - 101 Reykjavík
Tel.: +354 552 53 50
Fax: +354 552 54 13

5.2 House valuation tax

Fasteignamat ríkisins
Borgartúni 21
IS - 105 Reykjavík
Tel.: +354 561 42 11
Fax: +354 561 46 36

5.3 Prevention tax (avalanche and landslide)

Viðlagatrygging Íslands
Laugavegi 162
IS - 105 Reykjavík
Tel.: +354 552 96 77
Fax: +354 562 96 75

Ireland

| Class of insurance | Government levy | Stamp duty |
|--------------------------------|-----------------|---------------------|
| Life | 1% | Exempt |
| Non-life | 5% | €1 per new contract |
| Marine, aviation and transport | Exempt | Exempt |

General rules applicable to all insurance companies

1. Tax basis

1.1 Government levy

1.1.1 Life insurance

The 1% tax is levied on each insurer's "assessable amount" of premium income. The "assessable amount" is the gross amount of premiums received in respect of business in Ireland but excluding pensions business (as defined in the Irish tax legislation).

1.1.2 Non-life insurance

The 3% levy is levied on each insurer's "assessable amount" of premium income rather than attaching specifically to individual policies. The "assessable amount" is the gross amount of premiums received by the insurer in respect of business in Ireland, excluding reinsurance and MAT premiums. The gross amount includes commission payable to intermediaries. A 2% levy on non-life insurance policy was introduced in Ireland from 1 January 2012. The proceeds of the levy are paid into an Insurance Compensation Fund ("ICF"). This levy is in addition to the €1 stamp duty charge and to the existing 3% insurance premium tax already imposed on non-life insurance policies. This increased the total levy to 5%.

1.2 Stamp duty

Stamp Duty is payable on all new non-life policies written. As all renewal business is exempt from this charge, the total stamp duty payable is quite low. Life policies are exempt from stamp duty since 1 January 2001.

2. Informing the policyholder

The Insurance Act 2000 signed in December 2000 contains provisions for the amount of the tax deduction to be notified separately to the insured.

3. Frequency of payment

3.1 All taxes

Quarterly. It must be made by cheque accompanied by the declaration within 30 days following the end of each quarter. After this date, a sanction of 12% per annum is added to the amount owed. In the case of non-payment, the revenue commissioners may ask the courts for the company to be wound up.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in ireland

4.1 Person liable to tax

The insurer is liable to all taxes.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Revenue Commissioners
Capital Taxes Branch
Companies Capital Duty
Dublin Castle
IE - Dublin 2
Tel: +353 1 679 27 77
Fax: +353 1 679 32 61
Email: captax@revenue.ie

5. Insurer not established in Ireland and not established in the European Economic Area (EEA)

To operate in Ireland, the insurer must have a branch in Ireland which will be liable to taxes (see section 4).

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

The tax authorities do not require the nomination of a tax representative but contact the non-established insurer directly with regard to the remittance of taxes.

6.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

Italy

| Class of insurance | Premium tax | Parafiscal taxes | | | |
|--|-----------------------|---|--------------------------------------|--------------------------------|--------------------------------|
| | | Solidarity fund for victims of extortion and usury ⁽¹⁾ | Contribution for emergency treatment | Road accident victims' fund | Hunting accident victims' fund |
| Life | Exempt ⁽²⁾ | | | | |
| Liability | 21.25% | 1% | | | |
| - hunting liability | 21.25% | 1% | | | 5% (of 96.4% of the premium) |
| - travel operators ⁽³⁾ | 21.25% | 1% | | | |
| Civil nuclear energy | 2.5% | 1% | | | |
| Motor (all elements of cover) | 12.5% ⁽⁷⁾ | 1% | | | |
| - motor liability (including third party cover for pleasure boats) | 12.5% | | 10.5% | 2.5% (of 96.4% of the premium) | |
| Fire | 21.25% | 1% | | | |
| Theft | 21.25% | 1% | | | |
| Personal accident/health | 2.5% ⁽⁴⁾ | | | | |
| Transport | | | | | |
| - sea/air | 7.5% ⁽⁵⁾ | | | | |
| - rail/road | 12.5% ⁽⁵⁾ | | | | |
| Agricultural risks | | | | | |
| - crops (damage caused by weather) | 2.5% | | | | |
| - livestock | 2.5% | | | | |
| - liability | 12.5% | 1% | | | |
| - fire | 12.5% | 1% | | | |
| Credit/suretyship | 12.5% | | | | |
| Assistance | 10% | | | | |
| Reinsurance | Exempt | | | | |
| Export credit | ⁽⁶⁾ | | | | |
| Other classes | 21.25% | | | | |

- (1) Decree law n° 419 of 31 December 1991, converted to Law n° 172 of 18 February 1992, introduced an additional charge of 1% on premiums for contracts covering fire, general liability, miscellaneous motor risks and theft to finance a Solidarity Fund for Victims of Extortion and Usury.
- (2) The exemption applies to contracts taken out since 1 January 2001; contracts concluded before that date remain subject to 2.5% premium tax.
- (3) Compulsory tour operators' liability insurance is also subject to 4% contribution for the "Package Holiday Consumers Fund", paid monthly to the Provincial Treasury during the first 2 weeks of the month which follows that of the payment of the premium.
- (4) If employers' liability cover for accidents at work is included, the tax rate is 4.38%. The tax rate is also applicable to carriers' liability cover and insurance cover for ships and aircraft hulls and goods in transit. The 7.5% rate is reduced to 0.05% for ships registered in Italy.

- (5) *The tax rate is also applicable to carriers' liability cover and insurance cover for ships and aircraft hulls and goods in transit. The 7.5% rate is reduced to 0.05% for ships registered in Italy.*
- (6) *Export credit insurance is exempt only when it covers a risk guaranteed by the Italian state.*
- (7) *Since 2011, the Italian provinces (beneficiaries of the Insurance Premium Tax (IPT) on compulsory motor third party liability) are enabled to increase or diminish the 12.5% tax rate by 3.5 percentage points. The change takes effect on the first day of the second month following the release of the province's act on the Ministry of finance website (www.finanze.it).*

| Unofficial translations | |
|--|--|
| Fondo di sostegno per le vittime di richieste estorsive e dell'usura | Solidarity fund for victims of extortion and usury |
| Contributo al Servizio Sanitario nazionale | Contribution for emergency treatment |
| Fondo di garanzia per le vittime della strada | Road accident victims' fund |
| Fondo di garanzia per le vittime della caccia | Hunting accident victims' fund |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The amount used to calculate tax is made up of the premium, without deductions, and all additional amounts so as to include all sums paid to the insurer. The amount also takes into account the contributions to Package Holiday Consumers Fund (compulsory tour operators liability), Road Accident Victims' Fund (motor liability) and Hunting Accident Victims' Fund (compulsory hunting liability).

1.2 Contribution in favour of the solidarity fund for victims of extortion and usury

Premium tax is not included in the amount used to calculate the contribution.

1.3 Contribution for emergency treatment

The contribution is based on 100% of premiums and levied on the motor liability element. Premium tax is not included in the amount used to calculate tax.

1.4 Contribution to the road accident victims' fund

The contribution is based on 96.4% of premiums collected in the year in the motor liability class. The rate is determined each year by decree. Premium tax is not included in the amount used to calculate tax.

1.5 Contribution to the hunting accident victims' fund

The contribution is based on 96.4% of premiums collected in the year in the compulsory hunting liability class. The rate is determined each year by decree. Premium tax is not included in the amount used to calculate tax.

2. Informing the policyholder

Premium tax must be indicated separately from taxable premium. The same applies to the contribution to the solidarity fund for victims of extortion and usury and the contribution for emergency treatment, as increases in premium tax rates.

Special rules applicable depending on the method of establishment of the insurance company

3. Insurer Established In Italy

3.1 Person liable to tax

The insurer is liable to all taxes and contributions.

3.2 Frequency of payments

3.2.1 Premium tax

Monthly, at the end of each month, for premiums collected during the previous month. Adjustments allowed for the second preceding month under certain circumstances. A pre-payment of the tax for the following year is requested on 16 May each year. This payment amounts to 40%, of the tax assessed for the previous year (net of IPT applied on compulsory motor liability). The pre-payment is offset by the monthly payments from February onwards. On 20 December, an advance payment of the taxes is requested for premiums collected in November.

3.2.2 Solidarity fund for victims of extortion and usury

See section 3.2.1

3.2.3 Emergency treatment

See section 3.2.1

3.2.4 Road accident victims' fund

Anticipated payment on 31 January, balance on 30 September of the following year.

3.2.5 Hunting accident victims' fund

Anticipated payment on 15 March, balance on 15 September of the following year.

3.2.6 Penalties

There is a 30% penalty of the tax of which the payment is delayed or omitted. In addition, non-submission of a declaration is penalised by a sum equivalent to one to two times the total tax. Penalties are applied to the established insurer, the tax representative and, where appropriate, the insured. In the latter case, the law states that premiums may not be deducted from the insured's benefits when the insured is a company (see section 4.1).

3.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

3.3.1 Premium tax

Taxes are collected by the tax authorities (Ufficio delle Entrate) in the insurer's head office town, through banks responsible for collecting tax by means of F24-Accise online payment statement (form available on the website www.agenziaentrate.it).

The 12.5% tax on motor liability premiums (with the exception of motorcycles) paid since January 1999 must be paid through banks responsible for collecting tax by means of F24-Accise online payment statement (form available on the website www.agenziaentrate.it) in favour of the province of registration of the vehicle.

3.3.2 Solidarity fund for victims of extortion and usury

CONSAP S.p.A.

(Concessionaria di servizi assicurativi pubblici)

Gestione autonoma del fondo di sostegno per le vittime di richieste estorsive e dell'usura

Via Yser 14, IT - 00198 Roma

Taxes are collected by the tax authorities through banks responsible for collecting tax by means of F24-Accise online payment statement (form available on the website www.agenziaentrate.it).

3.3.3 Emergency Treatment

Contributions for emergency treatment are remitted to the Ufficio delle Entrate of the town of the insurer's head office, through banks responsible for collecting tax by means of F24-Accise online payment statement (form available on the website www.agenziaentrate.it).

3.3.4 Road accident victims' fund

CONSAP S.p.A.
(Concessionaria di servizi assicurativi pubblici)
Gestione autonoma del fondo di garanzia per le vittime della strada
Via Yser 14, IT - 00198 Roma

CONSAP receives payments through the Provincial Treasury.

3.3.5 Hunting accident victims' fund

CONSAP S.p.A.
(Concessionaria di servizi assicurativi pubblici)¹
Gestione autonoma del fondo di garanzia per le vittime della caccia
Via Yser 14, IT - 00198 Roma

CONSAP receives payments through the Provincial Treasury.

3.3.6 Information

Agenzia Delle Entrate
v. Cristoforo Colombo 426
00145 Roma

4. Insurer not established in Italy and not established in the European Economic Area (EEA)

4.1 Person liable to tax

The insured is liable for the payment of taxes and related amounts.

4.2 Frequency of payments

Payment must be made within one month from the date of payment of the premium.

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Ufficio delle Entrate of the town of the head office or the domicile of the insured.

5. Insurer established in the EEA operating by way of Freedom of Services (FOS)

5.1 Person liable to tax

Following an infringement procedure against Italy, law decree n135 of 25 September 2009 has abolished the obligation for the insurance companies operating in FOS regime to appoint a tax representative for Insurance Premium Tax (IPT) purposes.

¹ The CONSAP is not a tax authority.

The rule came into effect on 26 September 2009. The European Union and EEA based insurers, provided an adequate exchange of information is available, may either opt for appointing a tax representative or keeping the existing tax representative on a voluntary basis.

5.2 Nomination of a tax representative

Undertakings operating on Italian territory by way of FOS can opt for appointing a tax representative for the formalities related to the application, indication and payment of taxes. The tax representative, who must be resident in Italy, may be an establishment of the services undertaking in Italy.

The appointment of the tax representative must be communicated to the Agenzia delle entrate - Direzione Provinciale II - Via Canton 20, 00144 Roma (dp.iroma@agenziaentrate.it) and to IVASS. The tax representative must classify contracts in chronological order (premium payment date) indicating the insured's details, the number of contracts, dates of start and close of contracts, the risk insured, the premium amount, the rate and amount of the tax. The tax representative must also keep a copy of each contract.

5.3 Return of declarations

The tax representative, where appointed, or the insurer operating in Italy in freedom of services regime must submit a yearly declaration of the premiums collected in the previous tax period (see section 5.5) to Agenzia delle entrate - Ufficio Grandi contribuenti - Direzione Regionale del Lazio, indicating separately the premiums collected according to the different tax rates applied. In the same declaration the tax representative or the insurer must indicate separately the premiums subject to the additional 1% tax rate. The IPT declaration statement form is available on the website www.agenziaentrate.it.

If the foreign insurer holds an account in a bank joining the agreement with Agenzia delle entrate on F24 payment acceptance, IPT and contributions due (see sections 3.2.1, 3.2.2 and 3.2.3) must be paid by means of F24-Accise online payment statement (form available on the website www.agenziaentrate.it) simultaneously with the declaration.

Furthermore, the tax authorities have recently issued guidelines for the payment of IPT directly from the foreign country via bank transfer whereas the foreign bank has not joined the abovesaid agreement with Agenzia delle entrate.

5.4 Frequency of payments

Payment is monthly (see section 3.2.1 for pre-payment).

5.5 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Agenzia delle Entrate
Direzione Regionale Lazio
Via Giovanni Capranesi, 6 00155 Roma
Email: dr.lazio.sccr@agenziaentrate.it

Liechtenstein

| Class of insurance | Stamp duty |
|--|------------|
| Life | |
| - no surrender | Exempt |
| - with surrender, and periodical premium payment | Exempt |
| - occupational pensions | Exempt |
| - policyholder domiciled abroad | Exempt |
| Other life insurance | 2.5% |
| Health and disability | Exempt |
| Accident | Exempt |
| Unemployment | Exempt |
| Transport | Exempt |
| Basic damage to crops | Exempt |
| Hail | Exempt |
| Livestock | Exempt |
| Multirisk aircraft/ship hull for professional transport abroad | Exempt |
| Fire, plateglass, theft, water damage, credit, machinery, jewellery, for goods insured abroad | Exempt |
| Reinsurance | Exempt |
| Other classes | 5% |

Articles 21 to 26 and 34 (2) of the Swiss Federal Law on Stamp Duty apply to Liechtenstein.

General rules applicable to all insurance companies

1. Tax basis

Stamp duty is calculated on net premium.

2. Informing the policyholder

Tax is not shown separately from the premium in liability and multirisk motor insurance. For the other classes, it is shown separately from the premium.

3. Frequency of payment

The tax liability arises when the insurance premium is paid. Payment is quarterly and should be made to the tax authorities on an official form within 30 days of the end of the quarter in which the tax liability arose, without receipt of a demand for payment. The rate of interest levied on late payments is 5%.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Liechtenstein and/or in Switzerland

4.1 Person liable

The insurer is liable to stamp duty and makes the payment. If he does not pay, no other person is jointly and severally responsible for the payment.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Liechtensteinische Steuerverwaltung
Lettstrasse 37
FL - 9490 Vaduz
Tel.: +423 236 68 17

As the Swiss federal law on stamp duty is also applicable in Liechtenstein, by virtue of the 1923 agreement on a customs union, the Swiss Tax Authority should also be listed as competent

Eidgenössische Steuerverwaltung
Hauptabteilung, Direkte Bundessteuer,
Verrechnungssteuer, Stempelabgaben
Eigerstrasse 65
CH - 3003 Bern
Tel: +41 31 322 21 11
Email: dvs@estv.admin.ch
www.estv.admin.ch

5. Insurer not established in Liechtenstein or in Switzerland

5.1 Person liable

If the insurance contract is taken out directly with a foreign insurer not subject to Liechtenstein or Swiss control, the insured must pay the stamp duty. When the contract is concluded with a general representative established in Liechtenstein and/or in Switzerland and subject to Liechtenstein or Swiss control, the representative is liable to stamp duty. There are no rules on solidarity in the case of non-payment by the insured.

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

Luxembourg

| Class of insurance | Premium tax | Parafiscal taxes <i>Fire brigade tax</i> |
|---|-------------------|---|
| Life, pensions, disability, capitalisation | Exempt | Exempt |
| Fire | 4% | 6% |
| Livestock | 4% ⁽¹⁾ | Exempt |
| Other classes | 4% ⁽²⁾ | Exempt |

(1) *There is no premium tax on policies where the insured risk is valued at less than €375.*

(2) *Marine policies for commercial marine hull and associated ships liability risks have been exempt from Premium Tax since 1 September 2009.*

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The tax basis includes costs and commission.

1.2 Premium used to calculate parafiscal taxes

The tax basis does not include premium tax.

2. Informing the policyholder

The tax is shown specifically on written proposals and renewal notices.

3. Frequency of payment

Insurance companies have to submit the insurance tax deduction document for each quarter, by the 15th of the subsequent month at the latest. Payment is made at the latest within two weeks of the date of the declaration. Derogations cannot be granted by the tax authorities. The event generating the tax is the issue of the premium. In the case of late payment, a supplement will be charged.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Luxembourg

4.1 Person liable to tax

The insurer.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

4.2.1 Administration de l'enregistrement et des domaines

Bureau d'imposition n° 3
7, rue du Plébiscite
LU - 2341 Luxembourg
Tel: +352 44 905-1
Postal address:
B.P. 31
LU - 2010 Luxembourg

The balance due is to be transferred to the following postal account:

IBAN : LU65 1111 0002 4753 0000
BIC: CCPLULL

4.2.2 Service d'enregistrement et de recettes

Bureau des actes civils
67-69, rue Verte
LU - 2667 Luxembourg
Tel: +352 44 905-1

5. Insurer not established in Luxembourg and not established in the European Economic Area (EEA)

5.1 Person liable to tax

The insurer. If the insurer is wound up, the tax representative and, in the final analysis, the policyholder, become liable for tax. In fire insurance, however, it is only the tax representative who is liable for tax. The insurer is liable for fire brigade tax and not the policyholder (who is liable for premium tax).

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary:

See section 4.2

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

The insurer.

6.2 Return of tax declarations

In the two weeks following the date of payment of the premium by the policyholder, the tax representative (informed beforehand by the insurer) must submit the following information to the tax authority:

- the number of policies written
- the amount of premium income
- the tax rate
- the tax amount
- the supplementary amount due as fire brigade tax

There is no need subsequently to submit a declaration to the *Service d'enregistrement de recettes* if no business has been written under FOS.

6.3 Name and address of the tax authorities to which the nomination of a tax representative must be notified, to which the tax declarations must be sent, to which taxes must be remitted, and from which further information can be obtained if necessary

The nomination of a tax representative must be notified to:

Commissariat aux Assurances
7, boulevard Joseph II
LU - 1840 Luxembourg

Administration de l'enregistrement et des domaines (see section 4.2.2). The tax representative must submit information and tax returns to the *Service d'enregistrement et de recettes* (see section 4.2.2).

Malta

| Class of insurance | Stamp duty |
|--|--------------------|
| Life ⁽¹⁾ Supplementary annuity insurance | 11% ⁽²⁾ |
| Health | Exempt |
| Accident | 11% ⁽²⁾ |
| Motor Liability | 11% ⁽²⁾ |
| Hail (including destruction of glasshouses and forcing frames in market gardening and horticulture) | 11% ⁽²⁾ |
| Fire | 11% ⁽²⁾ |
| Other insurance for damage to goods | 11% ⁽²⁾ |
| Cross-frontier goods in transit | 11% ⁽²⁾ |
| Aviation, marine cargo and hull or boat | Exempt |
| Export credit & suretyship | Exempt |
| Livestock | 11% ⁽²⁾ |
| Reinsurance | Exempt |

(1) For all life policies not renewed annually, the rate of document duty is 0.1% of the sum assured. However for all other life policies, ie those renewed annually, the rules outlined for non-life policies apply for calculating the tax due.

(2) Subject to a minimum charge of €13.

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

For long term-policies of life insurance, the rate of 0.1% is calculated on the sum insured. For life insurance policies renewed annually the rate is 10% calculated on the annual premium. For non-life business the rate of 10% is calculated on the annual premium.

2. Informing the policyholder

The insured is informed of document duty by a note on the receipt.

3. Frequency of payment

Every 3 months.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Malta

4.1 Event generating tax

4.1.1 Document duty

Document duty is levied on the making out of a policy of insurance or endorsement thereunder. Duty on long term policies of life insurance is only charged on policies where the policy holder is resident in Malta. Duty on non-life business is only chargeable on risks situated in Malta.

4.2 Person liable to tax

4.2.1 Document duty

Insurer's liability on behalf of the policyholder.

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Capital Transfer Duty
Monte di Pieta Buildings
Merchants Street
Valletta
MT - Malta

4.4 Return of declarations - Payment of tax

Every 3 months upon payment.

4.5 Keeping accounting and tax documents

At least 4 years.

4.6 Sanctions envisaged in the event of non-payment of taxes

The authorities may seek a penalty for the delay in addition to the duty. Moreover, the insurance policy will not be executable.

5. Insurer not established in Malta and not established in the European Economic Area (EEA)

With respect to insurers not established in Malta the same taxation regime will only apply for policies covering risks which are situated in Malta.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

There are provisions for the nomination of fiscal representatives in respect of foreign insurers transacting business in Malta under passporting rules, which require the fiscal representative to comply with all tax obligations in Malta.

The Netherlands

| Class of insurance | Premium tax |
|---|-----------------------|
| Life | Exempt |
| Marine insurance | Exempt ⁽¹⁾ |
| Any vehicle registered in another EU country | Exempt |
| Aircraft principally (at least 70%) used for international public transport or registered in another EU country | Exempt |
| Goods in transit | Exempt |
| Health insurance/individual accident | Exempt |
| Travel insurance | Exempt ⁽²⁾ |
| Export credit insurance | Exempt |
| Reinsurance | Exempt |
| Unemployment insurance | Exempt |
| Other classes | 21% |

(1) *With the exception of pleasure craft, freight and inland waterway hulls, if a boat is registered in the Netherlands or in a non-EC country.*

(2) *Travel insurance is partly exempt. Not exempt is cancellation, car and legal assistance, coverage for veterinary costs, and a certain fixed of the common basic fee (if applicable).*

General rules applicable to all insurance companies

1. Tax basis

Total amount of premium charged to the insured, including the remuneration for services associated with insurance.

2. Informing the policyholder

The tax can be shown separately from the premium, but this is not legally required.

3. Frequency of payment

The tax point is the premium expiry date and not the payment due date. Declaration and payment is quarterly and must be carried out within a month after the accounting period. A tax declaration must be made quarterly even if no tax is due.

In exceptional cases, payment and declaration is:

- on an annual basis: by agreement with the tax authorities
- on a monthly basis: at the discretion of the tax authorities, whenever the taxpayer has a history of late filing or payment or the amount exceeds a certain value, or at the request of the person liable to tax. The tax point is the premium expiry date and not the payment due date.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in the Netherlands

4.1 Person liable to tax

The tax is paid by the underwriting agent if the contract was concluded by his intermediation. If however a registered intermediary collects the premium or if the policy he issued is covered by more than one insurer, this registered intermediary pays the tax. If the contract was not concluded through a underwriting agent or a registered intermediary, the insurer pays the tax. If neither the underwriting agent, nor the registered broker nor the insurer pays the tax, the tax is levied from the policyholder.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Belastingdienst / Amsterdam
Unit Individueel 3, afdeling Assurantiebelasting
Kingsfordweg 1
NL - 1043 GN Amsterdam PO Box 58944
NL - 1040 EE Amsterdam
Tel: +31 88 153 94 20
Inspecteur: +31 88 153 73 15
Fax: +31 20 687 6903

5. Insurer not established in the Netherlands

5.1 Person liable to tax

The tax is paid by the insurer's legal representative, his underwriting agent or any other intermediary involved in concluding the contract. If there is no such agent or intermediary, an insurer established in the European Union (EU) or the European Economic Area (EEA) is liable to pay the tax. The insurer may also appoint a tax representative. Insurers not established in the EU or the EEA should appoint a tax representative who has to pay the tax. If there is no tax representative, the tax is levied on the policyholder.

5.2. Nomination of a tax representative

An insurer, established outside the EU/EEA, who covers risks situated in The Netherlands without intermediation, is obliged to appoint a tax representative. A tax representative is domiciled or established in The Netherlands. He must be authorised by the tax inspector. To obtain an authorisation, the applicant must produce:

- a mandate issued by the insurer
- his name, address and domicile or place of establishment
- the date on which the tax representation becomes effective
- the name, address and place of establishment of the insurer

5.3 Name and address of the tax authorities to whom taxes must be paid and from whom information may be obtained if necessary:

See section 4.2

Poland

| Class of insurance | Premium tax ⁽¹⁾ | Parafiscal taxes Fire brigade tax ⁽⁴⁾ |
|---|----------------------------|---|
| Life | Exempt | |
| Health | Exempt | |
| Accident | Exempt | |
| Motor liability | Exempt ⁽²⁾ | Exempt |
| Hail (including destruction of glasshouses and forcing frames in market gardening and horticulture) | Exempt | |
| Fire | Exempt | 10% ⁽³⁾ |
| Other insurance for damage to goods | Exempt | |
| Cross-frontier goods in transit | Exempt | |
| Marine hull | Exempt | |
| Export credit | Exempt | |
| Livestock | Exempt | |
| Reinsurance | Exempt | |
| Other classes | Exempt | |

- (1) Poland does not charge Insurance Premium Tax (IPT). There is only general income taxation for legal persons (currently 19% of income).
- (2) Stamp duty is €1 on motor third party liability policies (for Central Register of vehicles and drivers) (art 30.1 compulsory insurance act).
- (3) Fire brigade tax applies to compulsory insurance of agricultural buildings premium only (art 38.1 fire prevention act).
- (4) Other parafiscal taxes are contributions for insurance institutions (not applicable to insurance companies operating under freedom of services):
- for supervisory authority KNF – 0.0665% of premium (art 14.1 insurance and pension supervision act)
 - as of 1 April 2015 the contribution to insured ombudsman is 0.0125% of premiums (art 22.1 insurance and pension supervision act) and regards also the insurance companies operating under Freedom of Services (FOS) in Poland
 - for the polish insurance association (PIU) – 0.026% of premium (art 223.3 insurance activity act)
 - fee for car register (€1 per motor third party liability (MTPL) contract)
 - fire brigade fee (10% from GPW from compulsory insurance of agricultural buildings)

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Poland does not charge IPT. There is only general income taxation (19%) for legal persons which include insurance companies and intermediaries, whereas mutual insurance companies are excluded from this tax.

1.2 Premium used to calculate fire brigade tax

The basis of assessment for the fire brigade tax is the premium which must be paid to the insurer to obtain insurance cover for compulsory agricultural building policies.

1.3 Stamp duty for motor third party liability

€1 from each third party liability contract (art 30.1 of act from 22 May 2003 on compulsory insurance, insurance guarantee fund and polish office of motor insurers).

1.4 Premium used to calculate contributions for insurance institutions

The basis of assessment for contributions for insurance institutions is the premium which must be paid to the insurer to obtain the insurance cover.

2. Informing the policyholder

2.1 Premium tax

See section 1.1

2.2 Fire brigade tax

Tax is not shown separately from the premium. It is not necessary to refer to it in the premium invoice.

2.3 Stamp duty for motor liability

Stamp duty is not shown separately from the premium. It is not necessary to refer to it in the premium invoice.

2.4 Contributions for insurance institutions

Contributions are not shown separately from the premium. It is not necessary to refer to them in the premium invoice.

3. Frequency of payment

3.1. Premium tax

See section 1.1

3.2 Fire brigade tax

Quarterly.

3.3 Stamp duty for motor liability

Monthly.

3.4 Contributions for insurance institutions

- contribution for supervisory authority (KNF) – monthly
- contribution for Insured Ombudsman – monthly
- contribution for Polish Insurance Association (PIU) – twice a year

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Poland

4.1 Event generating tax

4.1.1 Premium tax

See section 1.1

4.1.2 Fire brigade tax

Fire brigade tax is levied upon receipt of the insurance premium due for the compulsory insurance of agricultural buildings.

4.1.3 Stamp duty for motor liability

Stamp duty is levied upon receipt of the insurance premium due for the compulsory insurance of third party motor liability.

4.1.4 Contributions for insurance institutions

Contributions for insurance institutions are levied upon receipt of the insurance premium. Contributions for the current period are counted on the basis of the premium gathered in previous periods.

4.2 Person liable to tax

4.2.1 Premium tax

See section 1.1

4.2.2 Fire brigade tax

The insurer is liable for tax and must pay it.

4.2.3 Stamp duty for motor liability

The insurer is liable for stamp duty and must pay it.

4.2.4 Contributions for insurance institutions

The insurer is liable for contributions and must pay them.

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Stamp duty must be remitted to the competent tax authority (Urtzad Skarbowy) specified. Contributions must be remitted to the respective offices according to the region in which the insurer has its head office.

The fire brigade fee must be paid to the relevant authorities: the Chief of State Fire Brigades (Komendant Główny Państwowej Straży Pożarnej) and the Main Board of Voluntary Fire Brigades of Poland (Zarząd Główny Związku Ochotniczych Straży Pożarnych Rzeczypospolitej Polskiej). Half of the charge is payable to each organisation.

4.4 Return of declarations - payment of tax

In case of stamp duty and fire brigade tax, the insurer must complete and submit the declaration form to the relevant tax authorities and pay by no later than the 20th day after the end of the month (declaration period).

In case of contributions, the insurer must submit to the supervision an authority annual report stating the premium. Payments for the supervisory authority and Ombudsman of Insured must be made according execution to the administrative proceedings.

4.5 Keeping accounting and tax documents

The insurer is obliged to keep records of the insurance contract for 5 years from the date the contract expires. Documents needed for the tax declaration must be retained for the 5 years.

4.6 Sanctions envisaged in the event of non-payment of taxes

If the tax payer do not declare and remit the tax in accordance to regulations, the relevant authority may demand delayed interest and undertake an assessment of the tax. The court can award in such cases a penalty fee and/or imprisonment up to 3 years for the company management (fiscal penalty code from 10 September 1999).

5. Insurer not established in Poland and not established in the European Economic Area (EEA)

See section 4

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Event generating tax

See section 4.1, but no contributions to supervisory authority and Insured ombudsman.

6.2 Person liable to tax

See section 4.2

6.3 Keeping accounting and tax documents

See section 4.3

6.4 Return of declarations - payment of tax

See section 4.4

6.5 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Drugi Urząd Skarbowy Warszawa
Śródmieście ul. Jagiellońska 15
03-719 Warszawa
tel.: (022) 511 35 00
fax.: 511 35 02
e-mail: us1436@mz.mofnet.gov.pl

6.6 General information

Ministerstwo Finansów (Ministry of Finance)
Departament Podatków Pośrednich (Indirect Tax Department)
Ul. Świętokrzyska 12
PL - 00-916 Warszawa
Tel.: +48 (22) 694 30 72
Fax: +48 (22) 826 01 22
www.mf.gov.pl

Portugal

| Class of insurance | At the insured's expense | | | | | At the insurer's expense | |
|---|--------------------------|----------------------------------|--|--|--|--|----------------------------------|
| | Taxes | Parafiscal taxes | | | | | |
| | Stamp duty | Workers' compensation fund (FAT) | National authority for civil protection (ANPC) | National institute of medical emergency (INEM) | Motor guarantee fund (FGA) | Portuguese insurance supervisory authority (ASF) | Workers' compensation fund (FAT) |
| Life | Exempt | | | 2.5% ^(d) | | 0.048% | |
| Pension funds | Exempt | | | | | 0.048% | |
| Accidents at work | 5% | 0.15% ⁽¹⁾ | | 2.5% | | 0.242% | 0.85% ⁽²⁾ |
| Personal accidents and persons in transit | 5% | | | 2.5% | | 0.242% | |
| Health | 5% | | | 2.5% | | 0.242% | |
| Fire and natural perils | 9% | | 13% | | | 0.242% | |
| Individual householders' | 9% | | 13% ^(b) | | | 0.242% | |
| Agriculture | 5% | | 6% | | | 0.242% | |
| Motor | 9% | | 13% ^(c) | 2.5% | 2.50% ^(e) 0.21% ^(f) | 0.242% | |
| Goods in transit | 5% | | 13% ^(c) | | | 0.242% | |
| Marine and aviation | 5% | | | | | 0.242% | |
| Credit/guarantee | 5% | | | | | 0.242% | |
| Suretyship | 3% ^(a) | | | | | 0.242% | |
| Other classes | 9% | | | | | 0.242% | |
| Reinsurance | Exempt | | | | | | |
| Intermediation | 2% ⁽²⁾ | | | | | | |

The tax is levied on the insurance premiums except in the following cases:

- (1) on insured wages; and
- (2) on pension redemption capital (capital in the event of taking capital out) and on mathematical provisions of 3rd person assistance annuities.

Notes:

- (a) Suretyship contracts are subject to two taxes: one on premiums (3%) and the other on capital (variable); (b) Only for contracts comprising fire cover and only levied on the premium for this cover;
- (c) Only for the transport of dangerous goods including the insurance of vehicles specifically used for transporting this type of goods;
- (d) Only for life insurance contracts with a risk element;
- (e) Only on the part of the premiums referring to mandatory 3rd party liability insurance coverage;
- (f) Special charge destined to motor disaster prevention levied on the entire amount of motor premium.

| Unofficial translations | |
|---|--|
| Fundo de Acidentes de Trabalho (FAT) | Workers' compensation fund |
| Autoridade Nacional para a Proteção Civil (ANPC) | National authority for civil protection |
| Instituto Nacional de Emergência Médica (INEM) | National institute of medical emergency |
| Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF) | Portuguese insurance supervisory authority |
| Fundo de Garantia Automóvel (FGA) | Motor guarantee fund |

Other exceptional charges:

- i) *Compensation funds for crop insurance: 10% tax on crop insurance premiums in the Madeira and Azores regions, but only for contracts without the intervention of intermediaries.*
- ii) *Motor insurance certificate: 0.75 euro per motor insurance contract paid to the local authorities.*

General rules applicable to all insurance companies

Three concepts are used in Portugal to characterise premiums:

- Commercial premium: theoretical average cost of cover for contracts, plus other charges in particular acquisition and administration costs for the contract as well as management and collection costs.
- Gross premium: commercial premium plus charges relating to issuing the contract such as the breakdown of the premium, cost of the policy, riders, insurance certificates and the amount relating to the tax for the Motor Guarantee Fund.
- Total premium: gross premium plus fiscal and parafiscal charges.

1. Tax basis

1.1 Stamp duty

Taxes are calculated on the gross premium.

For stamp duty on capital for suretyship insurance contracts, the rate varies depending on the duration of the contract: for guarantees with duration of less than 1 year, 0.04% per month; for guarantees with duration between 1 and 5 years, 0.5%; others, 0.6%.

1.2 Tax for the motor guarantee fund (FGA)

Applicable on simple premiums in direct motor insurance.

1.3 Tax for the workers' compensation fund (FAT)

The tax payable by insureds is calculated on insured wages. The tax payable by the insurer is calculated on pension redemption capital (capital in the event of taking capital out) and on mathematical provisions of

3rd person assistance annuities.

1.4 National authority for civil protection tax (ANPC)

The tax is calculated on gross premium.

1.5 National institute of medical emergency tax (INEM)

The tax is calculated on gross premium.

1.6 Tax for the portuguese insurance supervisory authority (ASF)

The tax is calculated on total premium income net of deductions and cancellations relating to the undertakings direct insurance contracts.

2. Informing the policyholder

The amount of tax is indicated separately from the amount of the premium.

3. Frequency of payment

The tax generating event is the payment of the premium. As long as no premium payment has been received, no taxes are payable.

3.1 Stamp duty

Payment is monthly. It no longer involves the use of stamps or seals but consists of a simple transfer of duty to the authorities.

3.2 Tax for the motor guarantee fund (FGA)

Quarterly.

3.3 Tax for the workers' compensation fund (FAT)

Monthly.

3.4 National authority for civil protection tax (ANPC)

Monthly.

3.5 National institute of medical emergency tax (INEM)

Monthly.

3.6. Tax for the portuguese insurance supervisory authority (ASF)

6-monthly.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Portugal

4.1 Person liable to tax

The insurer.

4.2 Name and address of the tax authorities to which taxes must be submitted and from which further information can be obtained if necessary

The authority responsible for levying stamp duty is the Autoridade Tributária.

Other taxes are levied directly by the organisation concerned. The Portuguese Insurance Supervisory Authority (ASF) is the authority which controls compliance with obligations related to all taxes except the one that are levied by the Autoridade Tributária.

4.2.1 Autoridade Tributária (AT)

Rua da Prata n° 10 - 2°
1149-027 LISBOA
Tel.: +351 707 206 707
E-mail: dscac-inf@at.gov.pt
Website: www.portaldasfinancas.gov.pt

4.2.2 Fundo de Acidentes de Trabalho (FAT)

Av. da República 76
PT - 1600 - 205 LISBOA
Tel.: +351 21 791 35 69
E-mail: fat@isp.pt

4.2.3 Autoridade Nacional para a Proteção Civil (ANPC)

Av. do Forte em Carnaxide
2794 - 112 Carnaxide
Tel.: +351 21 4247100
Website: www.prociv.pt

4.2.4 Fundo de Garantia Autómovel (FGA)

Av. da República 59
PT - 1050 - 189 LISBOA
Tel.: +351 21 795 41 89
E-mail: fga@isp.pt

4.2.5 Instituto Nacional de Emergência Médica (INEM)

Rua Almirante Barroso, 36
1000-013 LISBOA
Tel.: +351 213 508 100
Email: inem@inem.pt
Website: www.inem.pt

4.2.6 Autoridade de Supervisão de Seguros e Fundos de Pensões de Portugal (ASF)

Av. da República, 76
1600-205 Lisboa
Tel.: +351 21 790 31 00
E-mail: asf@asf.com.pt
Website: www.asf.com.pt

5. Insurer not established in Portugal and not established in the European Economic Area (EEA)

Freedom of Services (FOS) activity is not authorised in Portugal for insurers with no establishment in the EEA.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

Tax is paid by a tax representative.

6.2 Nomination of a tax representative

Insurance undertakings not established in Portugal but allowed to operate there by way of FOS must nominate a tax

representative. The representative must reside on Portuguese territory and have a procuration giving him full powers. The undertaking must communicate the name of the tax representative to the Autoridade Tributária.

6.3 Keeping accounting and tax documents

For the purposes of verifying the representative's compliance with regulations, the insurer must have for each undertaking he represents a register listing all contracts covering risks situated in Portugal with the following information:

- class or sub-class
- identification and residence of the insured
- duration of the contract
- amount of the premium due by the insured on which the taxes and parafiscal taxes are applied

6.4 Name and address of the tax authorities to which taxes must be submitted and by which compliance by the tax representative with the obligations is verified and from which further information can be obtained if necessary

The authority responsible for levying stamp duty is the the Autoridade Tributária (see section 4.2.1). The other taxes are levied directly by the organisations concerned.

The Autoridade de Supervisão de Seguros e Fundos de Pensões de Portugal (see section 4.2.6) is the authority responsible for supervising compliance with the obligations relating to the status of the tax representative.

Romania

| Class of insurance | Premium tax | Parafiscal taxes |
|--|----------------------|------------------|
| Life and non-life | 0.3% ⁽¹⁾ | |
| Life | 0.4% ⁽²⁾ | |
| Non-life | 1% ⁽³⁾ | |
| Motor (MTPL) | | |
| - guarantee Fund | 2% ⁽⁴⁾ | |
| - contribution to the financial structure of National Bureau | 2% ⁽⁵⁾ | |
| - contribution for the CEDAM | 1% ⁽⁶⁾ | |
| Resolution Fund – beginning 2016 | | |
| - Life | 0.25% ⁽⁷⁾ | |
| - Non-life | 0.4% ⁽⁸⁾ | |

- (1) 0.3% from total cashed premiums from all direct insurance activity (non-life + life) = functioning tax that is paid monthly not later than the 15th day of the following month (not due for companies that operate through FOS, but applicable for the branches of a Romanian insurer operating in other member states).
- (2) 0.4% from total cashed premiums from direct life insurance activity = Contribution to Guarantee Fund (Bankruptcy Fund — from this fund there are paid indemnities to insureds and beneficiaries in the case of a life insurance company bankruptcy); it is paid monthly not later than the last working day of the following month (not due for companies that operate through FOS, but applicable for the branches of a Romanian insurer operating in other member states).
- (3) 1% from total cashed premiums from direct non-life activity = Contribution to Guarantee Fund (Insolvency Fund - from which damages are paid to the insured persons and beneficiaries in the case of insolvency of a general insurance company); it is paid monthly not later than the last working day of the following month — not due for companies that operate through FOS, but applicable for the branches of a Romanian insurer operating in other member states.
- (4) 2% from total cashed premiums from MTPL insurance = Contribution to Street Victims' Protection Fund (Guarantee Fund — in terminology and sense of First Motor Directive 72/166/CEE); it is paid quarterly not later than the 25th day of the following month, in which the trimester expires - due by application quote applied to total collected premiums from MTPL for auto registered vehicles in Romania.
- (5) Between 0 and 2,5% from total cashed premiums from MTPL, depending on the level of the Green Card Common Fund = Contribution to the financial structure of National Bureau for the fulfilment of the Guarantee Bureau obligations for the indemnification of damages inflicted in Green Book System of auto vehicles registered in Romania; it is paid monthly not later than the 25th day of the month before the reported one; due through application of quote for the total earned premiums from MTPL for auto vehicles registered in Romania. For time being, the percentage is 2%.
- (6) 1% from total cashed premiums from MTPL = Contribution for the CEDAM basis functioning, development and maintenance (it constitutes the data basis used by Information Centre for the fulfilment of its attributions according to IVth Motor Insurance 2000/26) and the protection of insured persons' interests, that is paid monthly not later than the last working day of the following month — due through application of quote for the Gross Cashed Premiums (GCP) cashed premiums from MTPL for auto vehicles matriculated/registered in Romania.

- (7) 0.25% from total cashed premiums from all direct life insurance activity paid to the Guarantee Fund as the administrator of the Insurers Resolution Fund; it is paid monthly, not later than the last working day of the following month, for premiums collected during the previous month;
- (8) 0.4% from total cashed premiums from all direct non-life insurance activity (paid to the Guarantee Fund as the administrator of the Insurers Resolution Fund; it is paid monthly, not later than the last working day of the following month, for premiums cashed during the previous month;

1. Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary:

Premium tax must be remitted to the tax authority:

Financial Supervisory Authority
15 Splaiul Independenței, postal code 050092, district 5, Bucharest, Romania
Tel: +40 800 825 627
Fax: 0040.21.659.60.51 or 0040.21.659.64.36

Insureds Guarantee Fund
24 Popa Petre street, Bucharest, 020805, district 2, Romania
Tel: +4021.211.60.37; Fax: +4021.211.60.94

2. Premium tax

Insurers established in Romania must complete and submit the declaration form to the relevant tax authorities and pay the tax by no later than 25 days after the end of the month (declaration period). The declaration period is the calendar month.

3. Keeping accounting and tax documents

The insurer must retain documents used for declaring tax for 10 years, except for payrolls which have to be retained for 50 years.

4. Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the tax, the relevant authority may impose a fine and undertake an assessment of the tax.

Slovakia

| Class of insurance | Premium tax | Parafiscal taxes <i>Fire brigade levy</i> |
|---------------------|-------------|--|
| Motor (MTPL) | | |
| - liability | | 8% |

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Regular premium tax does not exist in Slovakia. Parafiscal charge exists only in MTPL insurance. Officially it is a levy but it has a character of a tax. Basis for calculation is premium income for the previous year from MTPL insurance provided in the Slovak Republic.

2. Informing the policyholder

There are no specific provisions about informing the policyholder. Insurance company, branch of an insurance company and company providing MTPL insurance on the basis of freedom of services have an obligation to inform in writing National Bank of Slovakia and Ministry of Finance of the Slovak Republic up to 3 days at the latest after the levy levied.

3. Frequency of payment

Yearly, payable by the end of February.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Slovakia

4.1 Event generating tax

4.1.1 Fire brigade levy

Levy (tax) is levied on the payment of premiums for MTPL insurance contracts concluded in Slovakia.

4.2 Person liable to tax

The insurer is liable to all taxes.

4.2.1. Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Fire Brigade Levy must be remitted to the special account of the Ministry of Interior of the Slovak Republic:

Ministerstvo Vnútra SR
Pribinova 2
812 72 Bratislava
Tel: +421 2 5094 1111
Fax: +421 2 5094 4397

4.4 Return of declarations - payment of tax

4.4.1 Fire brigade levy

Paid yearly, payable by the end of February, 8 % from the premium income for MTPL insurance for the previous year.

4.5 Keeping accounting and tax documents

Ministry of Interior of the Slovak Republic has an obligation to submit to the Ministry of Finance of the Slovak Republic by the 15 February of the following year report regarding the drawdown of sources for the current year. No data available on keeping documents' time.

4.6 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the levy, the relevant authority may impose a fine and undertake an assessment of the levy.

5. Insurer not established in Slovakia and not established in the European Economic Area (EEA)

5.1 Event generating the tax

5.1.1 Fire brigade levy

Tax is levied on the payment of premiums for MTPL insurance contracts concluded in Slovakia.

5.2 Person liable to tax

The insurer is liable to all taxes.

5.3 Keeping accounting and tax documents

No data available on the length of time to keep documents.

5.4 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the levy, the relevant authority may impose a fine and undertake an assessment of the levy.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Event generating the tax

6.1.1 Fire brigade levy

Levy (Tax) is levied on the payment of premiums for MTPL insurance contracts concluded in Slovakia, which cover risks situated in Slovakia.

6.2 Person liable to tax

The insurer is liable to all taxes.

6.3. Keeping accounting and tax documents

No data available on the length of time to keep documents.

6.4 Return of declarations - Payment of tax

6.4.1 Fire brigade levy

Paid yearly, payable by the end of February, 8% from the premium income for MTPL insurance for the previous year.

6.5 Return of declarations - payment of tax

6.5.1 General information

Fire Brigade Levy must be remitted to the special account of the Ministry of Interior of the Slovak Republic:

Ministerstvo Vnútra SR
Pribinova 2
812 72 Bratislava
Tel: +421 2 5094 1111
Fax: +421 2 5094 4397

6.6 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the levy, the relevant authority may impose a fine and undertake an assessment of the levy.

Slovenia

| Class of insurance | Premium tax | Parafiscal taxes <i>Fire brigade tax</i> |
|-------------------------------------|---------------------|---|
| Life | 8.5% ⁽¹⁾ | |
| Health | 8.5% ⁽¹⁾ | |
| Accident | 8.5% ⁽¹⁾ | |
| Compulsory social insurance | Exempt | |
| Motor hull | 8.5% | 1% ⁽²⁾ |
| Fire | 8.5% | 5% |
| Other insurance for damage to goods | 8.5% | 1% ⁽²⁾ |
| Goods in transit | 8.5% | 1% ⁽²⁾ |
| Marine/aviation hull | 8.5% | 1% ⁽²⁾ |
| Export credit | 8.5% | |
| Reinsurance | Exempt | |
| Other classes | 8.5% | 1% ⁽²⁾ |

(1) Premium tax is 8.5 % when contracts are of a maximum duration of less than ten years, over ten years they are tax free. Taxation is also 8.5 % when policy is terminated before the expiry of a ten-year period from the date of conclusion with the exception of the case of death of an insured person.

(2) Only for insurance contracts which also cover fire risks.

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate premium tax

Tax is calculated on total premium to be paid by the insured.

1.2 Premium used to calculate fire brigade tax

In the case of a fire insurance tax is calculated on total premium to be paid by the insured. For other classes of insurance which also cover fire risks tax is calculated on 20% of the total premium.

2. Informing the policyholder

2.1 Premium tax

Premium tax is shown separately from the premium.

2.2 Fire brigade tax

There are no specific provisions about informing the policyholder.

3. Frequency of payment

3.1 Premium tax

Monthly, payable within 15 days following the end of the month.

3.2 Fire brigade tax

Monthly, payable within 15 days following the end of the month.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Slovenia

4.1 Event generating tax

4.1.1 Premium tax

Premium tax is levied upon receipt of the insurance premium for insurance contracts concluded in Slovenia, which cover risks situated in Slovenia. For insurance of the person premium, tax is levied on the payment of premiums for insurance contracts concluded in Slovenia if the person insured is a resident of the Republic of Slovenia.

4.2 Fire brigade tax

Tax is levied on the payment of premiums for insurance contracts concluded in Slovenia.

4.3 Person liable to tax

The insurer is liable to all taxes.

4.3.1 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Premium tax must be remitted to the tax authority (Finančna uprava) on special tax subaccount SI56011008881000030 with reference number: SI19 DŠ-70009. The head office of the tax authority is:

Finančna uprava Republike Slovenije
Šmartinska 55
SI - 1000 Ljubljana
Tel: +386 1 478 38 00
Fax: +386 1 478 39 00
Email address: gfu.fu@gov.si

Fire Brigade tax must be remitted on special tax subaccounts opened by:

Uprava Republike Slovenije za javna plačila
Dunajska 48,
SI - 1000 Ljubljana,
Tel: +386 1 47516 51
Fax: +386 1 475 17 07
Email address: ujp@ujp.gov.si

Further information about both taxes can be obtained from:

Posebni finančni urad
Gospodinjaska ulica 8
SI – 1000 Ljubljana

Tel: +386 1 583 02 00
Fax: +386 1 505 51 25
Email address: pfu.fu@gov.si

4.4 Return of declarations - payment of tax

4.4.1 Premium tax

Insurers established in Slovenia must complete and submit the declaration form to the relevant tax authorities and pay the tax by no later than 15 days after the end of the month (declaration period). The declaration period is the calendar month.

4.4.2 Fire brigade tax

Payment is made within 15 days after the end of the month. Insurers must complete and submit the declaration form to the relevant tax authorities within 15 days following the expiry of each quarter (declaration period).

4.5 Keeping accounting and tax documents

The insurer must retain documents used for declaring tax for 10 years.

4.6 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the tax, the relevant authority may impose a fine and undertake an assessment of the tax.

5. Insurer not established in Slovenia and not established in the European Economic Area (EEA)

5.1 Event generating the tax

5.1.1 Premium tax

Premium tax is levied upon receipt of the insurance premium for insurance contracts concluded in Slovenia, which cover risks situated in Slovenia. For insurance of the person, premium tax is levied on the payment of premiums for insurance contracts concluded in Slovenia if the person insured is a resident of the Republic of Slovenia.

5.1.2 Fire brigade tax

Tax is levied on the payment of premiums for insurance contracts concluded in Slovenia.

5.2 Person liable to tax

The insurer is liable to all taxes.

5.3 Keeping accounting and tax documents

The insurer must retain documents used for declaring tax for 10 years.

5.4 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the tax, the relevant authority may impose a fine and undertake an assessment of the tax.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Event generating the tax

6.1.1 Premium tax

Premium tax is levied upon receipt of the insurance premium for insurance contracts concluded in Slovenia, which cover risks situated in Slovenia. For insurance of the person, premium tax is levied on the payment of premiums for insurance contracts concluded in Slovenia if the person insured is a resident of the Republic of Slovenia.

6.1.2 Fire brigade tax

Tax is levied on the payment of premiums for insurance contracts concluded in Slovenia.

6.2 Person liable to tax

The insurer is liable to all taxes.

6.3 Keeping accounting and tax documents

The insurer must retain documents used for declaring tax for 10 years.

6.4 Sanctions envisaged in the event of non-payment of taxes

If the insurer does not declare and remit the tax, the relevant authority may impose a fine and undertake an assessment of the tax.

Spain

| Class of insurance | Premium tax | Parafiscal taxes | | | |
|--|-----------------------|---------------------------------|--|-------------------------|--|
| | | Fire brigade tax ⁽¹⁾ | Fund for the winding up of insurance companies | National guarantee fund | Fund for the insurance of extraordinary risks ⁽²⁾ |
| Life | Exempt ⁽⁶⁾ | | | | |
| Capitalisation (actuarial technique) | Exempt | | | | |
| Group pensions | Exempt | | | | |
| Hunting (liability) (compulsory) | 6% | | 0.15% | | |
| Motor ⁽³⁾ | | | | | ⁽⁸⁾ |
| - compulsory liability | 6% | | 0.15% | 2% | |
| - voluntary liability | 6% | | 0.15% | | |
| - material damage | 6% | | 0.15% | | ⁽²⁾ |
| Fire | 6% | 5% | 0.15% | | ⁽²⁾ |
| Combined fire/theft | 6% | 2.5% | 0.15% | | ⁽²⁾ |
| Householders' all risks | 6% | 2.5% | 0.15% | | ⁽²⁾ |
| Accident | 6% | | 0.15% | | ⁽²⁾ |
| Health | Exempt ⁽⁴⁾ | | 0.15% | | ⁽²⁾ |
| Compulsory social insurance | Exempt | | | | |
| Compulsory travel insurance | 6% | | 0.15% | | 5% |
| International goods in transit and passengers | Exempt | | 0.15% | | |
| Hull (aviation or marine) ⁽⁵⁾ | Exempt | | 0.15% | | |
| Agricultural insurance | Exempt | | 0.15% | | |
| Suretyship insurance | Exempt | | 0.15% | | |
| Export credit ⁽⁷⁾ | Exempt | | | | |
| Reinsurance | Exempt | | | | |
| Other classes | 6% | | 0.15% | | |

- (1) Fire brigade tax is paid to the authorities for towns with more than 20 000 inhabitants. For towns with less than 20 000 inhabitants, general councils and autonomous communities are responsible for fire brigade services.
- (2) Special fund for the insurance of extraordinary risks; taxes intended for this body apply to the following classes: see table overleaf (damage to goods).
- (3) Insurers have to pay a contribution of €0.07 per motor contract to finance the Spanish national bureau.
- (4) Since 1 January 1999.
- (5) For international transport with the exception of pleasure craft.
- (6) Note that supplementary risks are not exempt (disability).
- (7) Only for export credit insurance where the risk is located in Spain and the insurance is taken out on account of the State or is supported by the State (CESDE).

(8) From 1 January 2016, motor insurance is also liable for this parafiscal tax, not only in case of material damage, but also in case of compulsory liability and voluntary liability.

Table 1. Damage to goods (see note 2 above)

The rates vary depending on the insured object and the sum insured as follows:

| | Sum insured up to €600 000 000 | Sum insured over €600 000 000 |
|---|-----------------------------------|----------------------------------|
| Dwellings | 0.08% | 0.06% |
| Offices | 0.12% | 0.08% |
| Shops and small industries | 0.18% | 0.14% |
| Industrial risks ⁽¹⁾ | 0.21% | 0.18% |
| Motor (rates expressed as fixed amounts) | | |
| - cars | €3.50 | |
| - lorries | €17.60 | |
| - industrial vehicles | €14.60 | |
| - tractors | €10.00 | |
| - coaches | €26.60 | |
| - caravans | €8.50 | |
| - mopeds | €0.60 | |
| - motorcycles (more than 75cc) | €2.30 | |

(1) Public works between 0.28% and 1.63% according to the type of risk.

(2) Insurance of the person:

- Individual risks: In case of insurance contracts that predominantly or fully cover the risk of death. The annual rate is 0.005 for each €1 000 sum insured. The amount taken into account to calculate the tax is the highest of the sums insured in the policy (death or permanent disability).
- Passenger liability policies: if the legal system for the assessment of bodily Injuries is used to calculate the insured sum: €3.00 per insured.
- Assistance: the applicable rate in case of travel assistance insurance is 0.00042 for each €1 000 sum insured.
- Business income exposure: dwellings: 0.005% sum insured; other goods: 0.25% sum insured.

| Unofficial translations | |
|--|---|
| Fondo del Consorcio de Compensación de Seguros para la liquidación de Entidades Aseguradoras | Fund for the winding-up of insurance companies |
| Arbitrio Municipal Bomberos | Municipal fire brigades |
| Fondo Nacional de Garantía | National guarantee fund |
| Consorcio de compensación Seguros para riesgos extraordinarios | Special fund for the insurance of extraordinary risks |
| Sistema de valoración de los daños a las personas en accidentes | Legal system for the assessment of bodily Injuries |

General rules applicable to all insurance companies

1. Tax basis

1.1 Fund for the insurance of extraordinary risks

- motor: fixed amounts (see above note 2)
- individual accident: sum insured
- other classes concerned by this fund (see above note 2): value of the insured object

1.2 Other taxes

The total amount of the premium to be paid by the insured.

2. Informing the policyholder

The tax is shown separately from the premium.

3. Frequency of payment

3.1 Premium tax

Monthly.

3.2 Fire brigade tax

Annually to municipal authorities via UNESPA¹ which calculates the tax amount on written premiums and seeks payment from insurance undertakings.

3.3 Fund for the winding-up of insurance companies

Quarterly.

3.4 National guarantee fund

Monthly.

3.5. Fund for the insurance of extraordinary risks

Monthly.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Spain

4.1 Person liable to tax

The insurer is liable to all taxes.

¹ UNESPA (the Spanish association of insurance companies) is not a tax authority. It serves as an intermediary between insurance companies and the municipal authorities, General Councils and Autonomous Communities to whom the tax must be paid.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

4.2.1 Premium tax

Agencia Estatal de Administración Tributaria
Infanta Mercedes, 37
ES - 28020 Madrid
Tel: +34 91 583 70 00

4.2.2 Fire brigade tax

Gestora de conciertos para la contribución a los servicios de extinción de incendios, AIE
Núñez de Balboa, 101
ES - 28006 Madrid
Tel: +34 91 745 15 30
Email: gestora.conciertos@unespa.es

4.2.3 Other taxes

Consortio de Compensación de Seguros
Tel: +34 91 339 57 01
Email recaudación@consorseguros.es

Departamento de Recaudación
Email: recaudacion@consorseguros.es

Departamento de Recaudación, Consorcio de Compensación de Seguros.
Pº de la Castellana nº 32,
28046-Madrid, España

5. Insurer not established in Spain and not established in the European Economic Area (EEA)

5.1. Person liable to tax

See section 4.1

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

6. Insurer established in the EEA and operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

Tax is paid by the insurer.

6.2 Nomination of a tax representative

From 1 January 2016, it is not legally compulsory to appoint a tax representative.

6.3 Return of tax declarations

The insurer must complete declarations and send them with payment to the relevant tax authorities.

6.4 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary:

See sections 4.2.1 and 4.2.2. Payment can be made to Banks which have an arrangement with the "Agencia Estatal de Administración Tributaria" or "Consortio de Compensación de Seguros".

Sweden

| Class of insurance | Premium tax |
|---|--|
| Group life insurance | |
| - insurance taken out with an insurer established in Sweden | 45% of 95% of the premium |
| - insurance taken out with a foreign insurer | Exempt (but employer is liable to pay tax) |
| Motor Insurance | 32% of the premium |
| Other classes | Exempt |

General rules applicable to all insurance companies

1. Tax basis

1.1 Motor insurance

Premium tax is calculated on the premium of motor insurance issues in accordance to traffic third Party liability act (Trafikskadelagen, SFS 1975:1410). The tax rate is 32% of the total premium.

(Lag om skatt på trafikförsäkringspremie m.m. SFS 2007:460)

1.2 Group life insurance

Premium tax is calculated on 95% of the total premium paid by an employer to the insurer (tax base). The insurance has to be an occupational group life insurance (tjänste grupp liv försäkring, TGL) in compliance with some provisions in the Swedish Income Tax Act (Inkomstskattelagen, SFS 1999:1229, 11 kap. 19§, 15 kap. 9§ and 16 kap. 25§). The tax rate is 45% of the tax base.

(Lag om särskild skatt för grupplivförsäkring m.m. SFS 1990:1427)

2. Informing the policyholder

2.1 Motor insurance

There is no legal obligation to inform, but it is advised that the insurer informs the policyholder of the principal tax features relating to the insurance contract.

2.2 Group life insurance

The insurer must inform the policyholder of the principal tax features relating to the insurance contract.

3. Frequency of payment

3.1 Motor insurance

The event generating tax is the income due to premiums. The liability to pay tax based on that income arises at the end of each month. The tax base has to be declared to the tax authorities the month after and payment of the taxes depends on the size of the business, at the end of the month after or at the middle of the second month after.

3.2 Group life insurance

The event generating tax and the liability to pay tax is the receipt of premiums. The tax base has to be declared to the tax authorities the month after and payment of the taxes depends on the size of the business, at the end of the month after or at the middle of the second month after.

Special rules applicable depending on the method of establishment of the insurance company

4. Registration

4.1 First contact

Foreign financial enterprises that are supervised by the Swedish Financial Supervisory Authority are handled at the Large Businesses Region at the Swedish Tax Agency. However, when register such enterprises through the "tax application for foreign entrepreneurs" form (SKV 4632) the first contact will be with one or the other of the international offices of the Swedish tax agency.

Tax application for foreign entrepreneurs is used to apply for

- an approval for Swedish F-tax
- a Swedish VAT registration
- a Swedish employers' registration
- a registration for income tax purposes as a non-Swedish enterprise with a permanent establishment in Sweden

4.2 Name and address of the tax authorities to whom taxes must be paid and from whom information may be obtained if necessary

Foreign enterprises from the following countries are handled by the International Office in Malmö: Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Greece, Greenland, Hungary, Iceland, Italy, Macedonia, Montenegro, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, The Faroe Islands and Turkey. The address is:

Skatteverket
Utlandsskattekontoret
SE-205 31 Malmö
Sverige
Tel: +46 8 564 851 60
Fax: +46 10 574 62 03
www.skatteverket.se

Foreign enterprises from other countries are handled by the International Office in Stockholm:

Skatteverket
Utlandsskattekontoret
SE-106 61 Stockholm
Sverige
Fax: +46 10 574 18 11
Tel: +46 8 564 851 60
www.skatteverket.se

Thereafter all foreign financial enterprises are handled at the Large Businesses Region at the Swedish Tax Agency:

Skatteverket
Storföretagsregionen
SE - 771 83 Ludvika
Tel general issues: +46 8 564 851 60
Tel premium tax issues: 010-578 70 62 (Monday-Friday 09.00-11.30 and 12.00-15.00)
www.skatteverket.se

4.3 Keeping accounting and tax documents

A foreign enterprise is legally obligated to keep accounting records if it carries on business operations in Sweden or is obligated to register a branch in Sweden in accordance with the Swedish Branch Act (Lag om utländska filialer SFS1992:160).

The rules on the obligation to keep accounting records are evident from the Swedish Accounting Act (Bokföringslagen, SFS1999:1078). Anyone who is obligated to submit a tax declaration for the income of business operations in Sweden is obligated to, through accounting records or accounting notations, ensure that a basis for fulfilling this obligation exists and that it is fulfilled.

A foreign enterprise that carries on business operations from a permanent establishment in Sweden, is obligated to maintain accounting records for the operations.

5. Insurer established in Sweden

5.1 Person liable to tax

The person liable to premium tax is the insurer who issues the insurance.

A foreign enterprise with a permanent establishment in Sweden is to register for income taxation purposes. The enterprise is also obligated to pay preliminary income tax during the income year. If the enterprise has a permanent establishment or not affects the need for approval for Swedish F-tax, the size of the employers' contributions and the obligation to deduct preliminary income tax on remunerations (salaries and benefits in kind) to employees.

5.2. When established in Sweden?

A permanent establishment is defined in accordance with the general definition in the Swedish income tax act as a fixed place of business through which the business of an enterprise is wholly or partly carried on. Three conditions must be met for the creation of a permanent establishment:

- a distinct "place of business"
- which must be "fixed" as in having a certain degree of permanence
- the business of the enterprise must be carried out through that fixed place of business

The general definition contains a list of examples of what a permanent establishment may be constituted by:

- a place of management
- a branch
- an office
- a factory
- a workshop
- a mine
- an oil- or gas well
- a quarry or any other place of extraction of natural resources
- a building site or construction or installation project
- real property which is a current asset in a business operation

The definition mainly conforms with the permanent establishment definition found in the Organisation for Economic Cooperation and Development (OECD) model tax convention on income and capital. If Sweden has an agreement for the avoidance of double taxation (a tax treaty) with the country from which the enterprise originates, a permanent establishment must be present both in accordance with the Swedish Income Tax Act and the tax treaty for the enterprise to have a liability to pay income tax.

6. Insurer not established in Sweden

6.1 Motor insurance

The person liable to premium tax is the insurer who issues the insurance. The person liable to tax must be registered with the tax authorities and must submit tax declarations to them. See section 4 above. Insurer not established in Sweden shall appoint a tax representative who is representing them. The tax representative shall be residing in Sweden or could be a Swedish legal person.

6.2 Group life insurance

If an insurer provides group life insurance to an employer in Sweden, that meets the requirements to be regarded as a group life insurance in accordance with the Swedish income tax act then it is the employer, not the insurer, that will be liable to premium tax when paying the premium.

Switzerland

| Class of insurance | Stamp duty |
|--|------------|
| Life (no surrender) | Exempt |
| Life (with surrender, and periodical premium payment) | Exempt |
| Life (tied private provision) | Exempt |
| Life (occupational pensions) | Exempt |
| Life (policyholder domiciled abroad) | Exempt |
| Other life insurance | 2.5% |
| Health and disability | Exempt |
| Accident | Exempt |
| Unemployment | Exempt |
| Transport | Exempt |
| Basic damage to crops | Exempt |
| Hail | Exempt |
| Livestock | Exempt |
| Multirisk aircraft/ship hull for professional transport abroad | Exempt |
| Fire, plateglass, theft, water damage, credit, machinery, jewellery, for goods insured abroad | Exempt |
| Reinsurance | Exempt |
| Other classes | 5% |

General rules applicable to all insurance companies

1. Tax basis

Stamp duty is calculated on the premium. If the principal policyholder's address is not located in Switzerland then the policy is exempt from stamp duty. If the principal policyholder's address is in Switzerland then the gross premium would be the basis of the stamp duty calculation, regardless of how much of the risk is located elsewhere as the European Economic Area (EEA) location of risk rules are not relevant.

2. Informing the policyholder

If the policyholder is charged with the stamp duty the premium bill must bear the remark "stamp duty included" or the like.

3. Frequency of payment

The tax liability arises when the insurance premium is paid. Payment is quarterly and should be made to the tax authorities on an official form within 30 days of the end of the quarter in which the tax liability arose, without receipt of a demand for payment.

The rate of interest levied on late payments is 5%.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Switzerland

4.1 Person liable

The insurer is liable to stamp duty and makes the payment. If the insurer does not pay, no other person is jointly and severally responsible for the payment.

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

Eidgenössische Steuerverwaltung
Hauptabteilung, Direkte Bundessteuer,
Verrechnungssteuer, Stempelabgaben
Eigerstrasse 65
CH - 3003 Bern
Tel: +41 31 322 21 11
E-mail: dvs@estv.admin.ch
www.estv.admin.ch

5. Insurer not established in Switzerland

5.1 Person liable

If the insurance contract is taken out directly with a foreign insurer not subject to Swiss control, the insured must pay the stamp duty.

When the contract is concluded with a general representative established in Switzerland and subject to the Swiss regulator "Swiss financial market supervisory authority FINMA", the representative is liable to stamp duty.

There are no rules on solidarity in the case of non-payment by the insured.

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

6. Principality of Liechtenstein

The Swiss federal law on stamp duty is also applicable in the principality of Liechtenstein by virtue of the 1923 agreement on a customs union. The principality is therefore regarded as part of Switzerland for the purposes of stamp duty.

United Kingdom

| Class of insurance | Premium tax | Parafiscal taxes Fire brigade charge |
|--|-----------------------|---|
| Life and pensions | Exempt ⁽¹⁾ | Exempt ⁽¹⁾ |
| Fire | 9.5% ⁽⁸⁾ | GBP35 per GBP1 million of the gross value of goods insured ^{(2) (3)} |
| Private medical insurance | 9.5% ⁽⁸⁾ | Exempt |
| Travel and certain extended warranty and mechanical breakdown | 20% ⁽⁴⁾ | Exempt |
| Marine, aviation and transport (MAT) | Exempt ⁽⁵⁾ | Exempt ⁽⁶⁾ |
| Export credit | Exempt | Exempt |
| Reinsurance | Exempt ⁽⁷⁾ | Exempt |
| Other classes | 9.5% ^(7,8) | Exempt |

- (1) *The exemption for life insurance also applies to most other types of long-term insurance business as defined by the interim prudential sourcebook for insurers volume one: chapter II annex 11.1. The classes of insurance business within this definition are essentially the same as those described in article 1 of directive 79/267/EEC. An exception is private medical insurance written as long term business.*
- (2) *Fire brigade charges are imposed by the metropolitan fire brigade act 1865, London government act 1966 and London government act 1985. They apply to every insurance company writing fire insurance on property in the Inner London boroughs of the Greater London area. This comprises the boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth, Westminster and the City of London.*
- (3) *Property risks insured against fire to be included comprise: goods in transit, motor vehicles, buildings and contents, short-term risks, contractors' all risks (CAR) policies (including those relating to property in the course of erection), ships, boats, trains and aircraft, and terrorism cover.*
- (4) *A higher rate of 20% Insurance Premium Tax (IPT) (equal to the VAT rate) applies where insurance is sold either by a supplier (or someone connected to a supplier) of motor cars, small vans or motorcycles or a supplier of domestic appliances. The same rate applies to travel insurance.*
- (5) *The exemption for MAT business applies only to commercial ships of at least 15.24 tonnes gross tonnage and commercial aircraft weighing at least 8 tonnes, lifeboats, foreign or international railway rolling stock, loss/damage to goods in international transit.*
- (6) *Fire brigade tax applies to MAT insofar as this class of insurance includes fire risks within the specified inner London area (see 2 above).*
- (7) *Following a court decision, neither the surety bonds nor the reinsurance of surety bonds are subject to IPT at 9.5%.*
- (8) *The standard rate of Insurance Premium Tax in the UK will increase to 10% with effect from 1 October 2016. A transitional period between 1 October and 31 January 2017 allows insurers using the Special Accounting Scheme to book policies incepting before 1 October at 9.5%. From 1 February 2017, all taxable policies subject to the standard rate will be taxed at 10%. The selective higher rate of IPT will remain unchanged at 20%.*

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

The premium for the purposes of IPT includes the risk insured, administration costs charged to policy holders, brokers' and agents' commission, any charge for credit. In respect of insurance liable to the 20% rate, additional fees charged by intermediaries (taxable intermediaries) for arranging the insurance are also liable to 20% IPT.

1.2 Premium used to calculate parafiscal taxes

The fire brigade charge is calculated by reference to the gross value of the property insured and not the premium.

2. Informing the policyholder

Premiums are inclusive of premium tax. There is no obligation for the insurer to identify the amount of tax separately to the policyholder.

3. Frequency of payment

3.1 Fire brigade charges

Quarterly, in advance commencing on 1 January of each year.

3.2 Premium Tax

Quarterly, in arrears.

The event generating a liability to account for tax is the receipt by the insurer (or another person acting on behalf of the insurer) of premium relating to a taxable insurance contract. Taxable intermediaries are liable to account for tax when they receive a fee.

The vast majority of insurers in the UK, however, account for tax by reference to the date at which they write the premium into their accounts rather than the date of receiving the cash. The insurer has the option to choose which of these two accounting bases, "cash receipt" or "written premium", it uses but must then operate its choice on a consistent basis and get approval from the tax authorities if it wishes to change basis.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in the United Kingdom

4.1 Person liable to tax

4.1.1 Fire brigade charges

The insurer.

A form is sent to him by the London Fire Brigade. Every year insurance companies owing this tax must make a declaration to the London Fire and Emergency Planning Authority (LFEPA) which calculates the amount owed.

Payments may be made by cheque, cash, postal order, credit transfer under the Bankers Automatic Clearing System (BACS), the Clearing House Automated Payment System (CHAPS) or Bank Giro. Payment cannot be made by direct debit. Penalties can be levied for non-submission of returns. Failure to comply with inspection process can result in summary conviction leading to penalties.

4.1.2 Premium tax

The insurer / Taxable intermediary.

Form IPT 100 must be returned to HM Revenue & Customs (HMRC), together with the tax due, by the end of the month following the end of the quarterly period to which the form relates. The address for HMRC is on the return form.

Payment may be made by cheque, cash, postal order, direct debit, credit transfer (BACS, CHAPS or Bank Giro). As HMRC are moving towards electronic payment methods only, the on-going availability of cheque, cash or postal order payment methods should be checked in good time before a payment is due with HMRC.

It should be noted that for payment by cheque HMRC must receive the money in their bank account (ie the cheque must clear the banking system) before the due date if a penalty for making a late return is to be avoided.

The law provides for the insurer or taxable intermediary to be liable for a penalty if it either fails to submit a tax return or pay the tax by the due date (note comment above on cheque payments). The penalty is equal to 5% of the tax due, or GBP 250 (whichever is greater) plus a daily penalty of GBP 20 for each day after the due date that the failure to pay or failure to make the return continues.

Additionally if the insurer has under-declared the amount of IPT due or over-claimed credit on the tax return, the insurer will be liable to a tax geared penalty based on a percentage of the amount of IPT under-declared or over-claimed. This penalty can be mitigated if the insurer has a reasonable excuse. However a reasonable excuse cannot occur where the insurer has insufficient funds for paying the tax due or relies on any other person (eg tax agent) to perform any task (eg file the tax return).

4.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

The Controller
Central Collection Unit (IPT)
HM Revenue & Customs
Alexander House
21 Victoria Avenue
GB – Southend-on-Sea
SS99 1AA
Tel: 0845 010 9000 (National Advice Service)

4.2.1 Fire brigade charges

London Fire and Emergency Planning Authority (LFEPA)
Directorate of Resources, Finance Department, third floor
169 Union Street
GB – London
SE1 0LL
Tel.: +44 20 85 55 12 00
Contact: Mr G. Jones

4.2.2 Premium tax

HM Revenue & Customs
VAT Policy Group, Liability & IPT Division
Finance and Insurance Team
3rd Floor East
100 Parliament Street
GB – London

SW1A 2BQ
Tel: +44 207 147 0000

5. Insurer (or taxable intermediary) not established in the United Kingdom and not established in the European Economic Area (EEA)

5.1 Person liable to tax

5.1.1 Fire brigade charges

The procedures are the same as set in 4.1.1 for insurers established in the UK.

5.1.2 Premium tax

Premium tax is paid by the insurer (or taxable intermediary). The insurer (or taxable intermediary) is jointly and severally responsible for payment. The procedures are the same as for an insurer established in the EEA.

5.2 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

See section 4.2

6. Insurer (or taxable intermediary) established in the EEA operating by way of Freedom of Services (FOS)

6.1 Person liable to tax

6.1.1 Fire brigade charges

See section 4.1.1

6.1.2 Premium tax

Premium tax is paid by the insurer (or taxable intermediary) who may, but is not required to, appoint a tax representative. The insurer (or taxable intermediary) and tax representative are jointly and severally responsible for payment of any tax due before 21 July 2008 if the tax representative was in place before that date. However, a tax representative which continued to represent an overseas insurer will not be liable for any tax due after that date. Where authorisation already existed, HMRC will continue to treat the tax representative as agent of the insurer after that date unless informed otherwise.

6.2 Appointment of a tax agent

The UK no longer requires a tax representative to be appointed by an insurer (or taxable intermediary) writing the services business.

If the insurer (or taxable intermediary) wishes to do so, they may appoint an EU agent, preferably UK based, to act on their behalf. HMRC will require confirm of the agent's acceptance to deal with the insurer's IPT, but no liability for any tax due from the insurer attaches to the agent.

The notification of the agent is made on the "IPT 1" application form at the time of first registration or by letter if a change occurs.

6.3 Registration

The insurer (or taxable intermediary) is required to notify HMRC within 30 days if, the insurer forms (or has already formed) the intention to receive premiums in the course of a taxable business. This notification should be made on the "IPT 1" tax form. The effective date of registration will be the date on which the first premium is received.

The insurer (or taxable intermediary) should receive a certificate of registration and registration number within 3 weeks of sending in the form.

6.4 Keeping records and accounts

The insurer (or taxable intermediary) must keep records of all business transactions affecting the amount of IPT the insurer has to pay. These include, for example, policy documents, cover notes, endorsements, copy invoices and renewal notices, credit and debit notes and any summaries that have been prepared showing premium income received or written and IPT tax due. If the insurer (or taxable intermediary) intends to keep the IPT records on computer, the insurer has to inform HMRC.

The records must be preserved for 6 years unless prior agreement has been obtained from HMRC that some records can be kept for a shorter period. When asked to do so, the insurer (or taxable intermediary) must produce the records for inspection so that it can be confirmed that the correct amount of IPT has been paid.

Insurers should keep full supporting records for their fire brigade charge returns for six years. The fire authority has inspection rights to review insurers' records and periodically exercise these rights.

6.5 Submitting IPT returns

Every 3 months, the insurer (or taxable intermediary) will receive an IPT return (form IPT 100). The insurer must complete this form to account for the tax due on taxable premiums received.

6.6 Making IPT payments

- Direct Debit
- The Direct Debit mandate enclosed in the registration pack should be completed and sent in with the IPT returns by the date indicated. The amount due is debited 7 days later. An extra 7 days is allowed for paying by direct debit but the tax return IPT 100 must still be sent in by the end of the month following the end of the quarterly period.
- Credit Transfer
- IPT returns should be sent in by the date indicated. An extra 7 days are given to make the payment.
- Cheque
- IPT returns should be sent in before the due date with a crossed cheque made payable to "HM Revenue and Customs". The UK has a requirement that the cheque must clear (i.e. HM Revenue and Customs must receive the money in their bank account) before the due date to avoid incurring a penalty for making a late return (see section 4.1.2).

6.7 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

The Controller
Central Collection Unit (IPT)
HM Revenue & Customs
Alexander House, 21 Victoria Avenue
GB – Southend-on-Sea
SS99 1AA
Tel: +44 845 010 9000 (National Advice Service)

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