

FROM: Head of Taxation, Taxation Department
LOCATION: TAX/58/323
EXTENSION: 5228
DATE: 22 February 2000
REFERENCE: TAX/NG/ln/Y2246
SUBJECT: RECOVERY OF INPUT TAX BY MEMBERS' AGENTS
ATTACHMENTS:
ACTION POINTS: **Continue to use global market rate during the year ending 31st December 2000**
DEADLINE: **Not applicable**

1. Introduction

- 1.1 Market bulletin Y2166 of 11th November 1999 gave notice of the Customs & Excise ruling in respect of the VAT status of members' agents services. In brief, the ruling stated that the VAT exemption relating to insurance intermediaries no longer applied to the services of members' agents with effect from 1st January 2000. The bulletin also explained that Customs had agreed to defer implementation of the ruling until 1st January 2001 following representations by Lloyd's Taxation Department
- 1.2 The bulletin did not however refer to the VAT recovery position of members' agents during 2000 and a degree of uncertainty has subsequently arisen. The purpose of this bulletin is therefore to clarify the position.

2. Current position

- 2.1 Customs has confirmed that members' agents may continue to use the global market rate to recover input VAT during the year ending 31st December 2000.

3. Readership and contact details

- 3.1 This bulletin is being sent to all members' agents and recognised auditors.
- 3.2 If you have any questions on the contents of this bulletin please contact David Clissitt on Lloyd's extension 5228.

David Clissitt
Head of Taxation
Taxation Department