



NSW Small Business Stamp Duty Exemption Frequently Asked Questions

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Document purpose

This document is designed to provide helpful general guidance on some key issues relevant to this topic. It should not be relied on as legal advice. It does not cover everything that may be relevant to you and does not take into account your particular circumstance. It is only current as at the date of release. You must ensure that you see appropriate professional advice in relation to this topic as well as to the currency, accuracy and relevance of this matter for you.

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General Stamp Duty FAQs

What is the NSW small business stamp duty exemption?

From 1 January 2018, some small businesses may be eligible to seek exemption from paying NSW stamp duty on certain types of insurance.



What is a small business?

Revenue NSW has stated that: “You are a small business eligible to seek a stamp duty exemption if you are an individual, partnership, company or trust that is carrying on a business, and the business has an aggregated turnover of less than \$2 million. Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you.”

Which insurance types will the exemption apply to?

Insurance type	Cover affected
Commercial vehicle insurance	Motor vehicles used primarily for business purposes.
Commercial aviation insurance	Aircraft used primarily for business purposes.
Occupational indemnity insurance	Insurance covering liability arising out of the provision by a person of professional services or other services (other than medical indemnity cover).
Product and public liability insurance	Insurance covering liability for personal injury or property damage occurring in connection with a business or arising out of the products or services of a business.

What is the NSW small business stamp duty declaration?

The NSW small business stamp duty exemption declaration is a legally binding statement made by the insured declaring that they are eligible for the NSW small business insurance stamp duty exemption. The declaration should be provided in the approved form confirming that the insured individual, partnership, company or trust is a “small business” as defined in the Act*.

From when does the exemption apply?

The exemption will only apply if:

- The relevant insurance (new business, additional risk variation and/ or renewal) is entered into/ renewed on or after 1 January 2018; and
- A NSW Small Business insurance stamp duty exemption declaration has been provided

How long does the declaration last for?

Revenue NSW has provided guidance to the industry which indicates that a declaration is only valid for a financial year. As such, a new declaration will be required each financial year, which can be provided upon annual renewal of your policy.

How much is the exemption?

Current stamp duty rates are 5% or 9 % depending on the policy coverage section. This will be automatically calculated depending on the risk for each policy coverage section.



What if the policy commenced before 1 January 2018, can the NSW stamp duty exemption be applied?

The NSW small business stamp duty exemption only applies to insurance policies effected or renewed for NSW risks on or after 1 January 2018.

For policies renewed or effected prior to 1 January 2018, only additional risks added to these policies on or after 1 January 2018 will be eligible for the stamp duty exemption, if all other eligibility conditions are met.

What if the premium is being paid in instalments?

If a policy is effected or renewed before 1 January 2018 it will remain liable to duty. It does not matter if the premium is paid before or after 1 January 2018 or if the premium is paid in instalments.

Is CTP insurance eligible for the NSW Stamp Duty exemption?

No (please refer to policies in scope)

Can a NSW small business apply for an exemption for home insurance if working from home?

No. The NSW government has excluded home insurance as an eligible policy for NSW small business stamp duty exemption.

Is there more information available on the NSW Small Business stamp duty legislation?

Go to Revenue NSW website and see in particular:

- o Revenue NSW "Small Business Exemption" heading in Frequently Asked Questions –

- o <http://revenue.nsw.gov.au/info/legislation/budget/201706/faq>

- o Insurance Duty-<http://www.revenue.nsw.gov.au/taxes/insurance/factsheet/overview>

Also see the Duties Act 1997 (NSW) and the Income Tax Assessment Act 1997 (Cth).

Which products will the exemption apply to?

Please refer to qbe.com.au/nswstampduty for a list of impacted products