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NSW Small Business Stamp Duty Exemption Guidelines & Declaration

Declaration

What is the NSW small business exemption?

From 1 January 2018, eligible NSW small businesses are exempt from paying stamp duty on certain types of insurance.

What is a small business?

A small business is a CGT small business entity (within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth) for the income year in which the insurance is effected or renewed. The small business definition would usually capture an individual, partnership or trust carrying on a business where their aggregated turnover (as defined in the Act) in the relevant period is less than \$2 million. There are several options to determine how the “relevant period” is defined. Please see section 259A of the Duties Act 1997 (NSW) for full details and/or seek appropriate advice to help you understand if the exemption applies to you.

What policies placed through Solution Underwriting Agency are applicable for exemption:

- Professional Indemnity Insurance; and
- General and Product Liability Insurance

Instructions for applying for an exemption

To receive the exemption, please have the Insured complete this declaration declaring that they are a small business. Email the completed declaration to our office along with the Insured’s proposal and/or express declaration and closing. If the declaration is received after the time that the contract of insurance is effected or renewed, and the Insurer is unable to recover the stamp duty already paid because of this, the Insurer reserves the right not to make any premium adjustment or refund or deduct the reasonable costs of any recovery.

Please note:

1. This declaration covers all policies issued to the Insured commencing on or after 1 January 2018.
2. If the Insured is uncertain whether they classify as a small business, they should refer to their financial adviser.
3. The insurer will place reliance on the Insured’s declaration in charging the applicable insurance duty.
4. False declarations may result in penalties up to of \$11,000 by Revenue NSW plus the insurance duty not paid and penal interest on that balance.
5. Revenue NSW may also be able to clarify the Insured’s queries relating to the law and the Insured’s obligations.

NSW small business stamp duty exemption declaration

Insured name:

Policy Number:

Inception date:

At the Date the policy is effected or renewed (as applicable), I am/will be a small business as defined in s259A Duties Act 1997 (NSW) (“the Act”) for the purposes of the small business exemption in s259B of the Act.

Insured signature:

Date declared (DD/MM/YY):

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Any queries, please contact us

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