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FiscalReps warns insurers against IPT complacency

Leading global tax compliance consultancy FiscalReps is urging insurers to avoid complacency over insurance premium tax (IPT) and is hosting two international briefings in September to help companies achieve compliance.

FiscalReps' chief executive officer Mike Stalley is warning that, despite changes to IPT compliance requirements designed to simplify procedures, IPT remains a major challenge for insurers throughout the European Union (EU). Non-compliance will potentially lead to financial penalties and reputational damage.

Stalley will discuss the current position – and solutions to ensure compliance – at the free FiscalReps briefings, which are aimed at insurance professionals, and will be hosted in Denmark (September 21) and the Netherlands (September 22).

Stalley says: "The key trends are governments' increasing focus on IPT as a source of revenue and the EU-inspired abolition of compulsory local fiscal representation.

"The rises in IPT rates in the UK and the Netherlands this year are likely to be followed by other governments. With the increasing focus on indirect taxation, tax on premiums is inevitably attractive to revenue authorities, especially in today's difficult economic climate. Revenue authorities across Europe are becoming increasingly vigilant and, as a result, compliance failures are more likely to be spotted – and penalised.

"The need to appoint a local fiscal representative in each jurisdiction has often been regarded as an unnecessary burden to tax compliance and the European Commission now considers this requirement a breach of EU competition legislation. The UK, Belgium, France, Italy and the Netherlands have already dropped the requirement for IPT payment through local fiscal representatives and other countries are expected to follow."

However, Stalley says the current position is deceptive, potentially giving the impression insurers can safely avoid local fiscal representation where no longer a legal requirement. "IPT is extremely complex and specialist assistance based on expert local knowledge is vital for achieving trouble-free compliance in every jurisdiction. Alternative arrangements, with risks of compliance failure, could prove costly and damaging to an insurer."

In addition to a detailed update on all the latest EU IPT regulatory changes, Stalley will share with delegates at the briefings his expert views on what the future may hold for IPT compliance within the EU.

For further information, please visit: www.fiscalreps.com.

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FOR FURTHER INFORMATION

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NOTES TO EDITORS

About FiscalReps

FiscalReps is an independent consultancy that helps insurance businesses to comply with insurance premium tax (IPT) and parafiscal taxes internationally. The company is the European market leader, with a client list that includes many top insurers, brokers and corporate captive owners. Further information is available at: www.fiscalreps.com.