



2002-03 Budget Amendment Stamp Duty on General and Life Insurance

This circular advises of general insurance and life insurance stamp duty changes announced as part of the 2002-03 Budget. The changes outlined in this circular commence from 10 October 2002 being the date they received Assent

Summary

In summary, the Budget measures:

- (a) remove duty on the reinsurance of a policy of life insurance where the original policy of insurance has been duly stamped;
- (b) remove duty on a transfer or assignment of a policy of life insurance; and
- (c) remove the exemption from duty on policies general insurance upon the property of the Territory Government.

Reinsurance of policies of life insurance

The Territory levied \$0.50 on policies of reinsurance where the original policy of life insurance had been duly stamped. As from 10 October 2002 these policies of reinsurance are no longer subject to duty.

Transfers of life insurance policies

Duty of \$20 was payable upon the transfer or assignment of a policy of life insurance that was not by way of mortgage or release of mortgage. As from 10 October 2002 these transfers or assignments of life insurance policies are no longer subject to duty.

Removal of Territory Government exemption for general insurances policies

Policies of general insurance upon the property of the Territory Government were exempt from duty. This exemption will no longer apply from 10 October 2002. Accordingly, all policies of insurance with the Territory Government are subject to stamp duty.

This change follows the removal of the exemption for policies of insurance with Territory Government Business Divisions from 1 July 2001 as part of the 2001-02 Budget.

Revenue Circular RA001, which sets out information on the revenue circular system, is incorporated into and is to be read as one with this Circular.

Refer to the *Stamp Duty Amendment Act (No. 2) 2002* for precise details of the changes. For general information, please contact TRM on 1300 305 353.

Authorised by
the Commissioner of Taxes
10 October 2002