



## Use these notes to help you fill in the 'Lloyd's underwriters' pages of your tax return

You need to fill in the 'Lloyd's underwriters' pages if you were **trading** as an underwriting member of Lloyd's (or a Name) in the year ending 31 December 2016 and you received a form CTA 1 and CTA 2 from Lloyd's.

**Only** include income from your personal funds held at Lloyd's.

**Don't include** any:

- income from your own personal assets, such as bank interest – these go in your tax return
- capital gains from disposal of syndicate capacity and sale of assets in personal funds – these go in your 'Capital gains summary' pages

You **don't** need to fill in the 'Lloyd's underwriters' pages if you stopped trading before 1 January 2016. Put any Lloyd's income received after this date in box 17 in the 'Income' section on page TR 3 of your tax return and any Lloyd's expenses incurred after 31 December 2015 in box 18 on page TR 3 of your tax return.

If you're filling in the return as a personal representative for a deceased person, contact the Lloyd's Underwriters Unit, if you need more information.

### Filling in the 'Lloyd's underwriters' pages

You'll need the following forms, to help you fill in the 'Lloyd's underwriters' pages:

- CTA 1 UK Taxation Advice Part I and Part II (2013) Syndicate results for the 2013 account
- CTA 2 (2016) UK Taxation Advice for the 2016 to 2017 tax year

**i** For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS240'.

### Your name and Unique Taxpayer Reference

If you printed a copy of the 'Lloyd's underwriters' pages from the internet, fill in your name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form.

<small>Your name</small> <input type="text"/>	<small>Your Unique Taxpayer Reference (UTR)</small> <input type="text"/>
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### Income from personal funds at Lloyd's - UK interest (year ended 31 December 2016)

This section is for income from assets held in your personal funds at Lloyd's, and any other fund required or authorised by Lloyd's rules or your Member's Agent.

**Don't include** income from syndicate Premiums Trust Funds or Special Reserve Funds.

### UK interest which has not been taxed

This includes interest from:

- banks, building societies, and National Savings and Investments
- alternative finance receipts
- government stocks (gilts)
- distributions from companies and UK authorised unit trusts and open-ended investment companies
- other loan stocks and loans to companies

### Box 1 Interest on gilts and from UK banks or building societies

Put in box 1 the total amount of untaxed interest paid into your Lloyd's personal funds.

From 6 April 2016, interest from bank and building society accounts is paid without tax deducted. Because you need to report income from personal funds at Lloyd's for the year to 31 December 2016, you may receive some interest with tax taken off and some without. Put interest with tax taken off in Box 3 and the amount of tax taken off in Box 4.

You may need to speak with your tax adviser or the payer, if your Lloyd's funds include any Gilt strips and strips of non-UK government securities, or you or Lloyd's (as trustees) received cash or shares from a building society that's been:

- in a merger
- converted to a limited company
- taken over by a limited company

If your Lloyd's funds deposits include cash payments, put the amount you received in box 1. If you had tax taken off this amount, put this in box 4.

## Accrued Income Scheme and deeply discounted securities

### Box 2 Profits from Accrued Income Scheme and deeply discounted securities

#### Accrued income securities


This includes all interest bearing securities, such as:

- shares in a building society
- government loan stock and company loan stock

#### Don't include any:

- shares in a company
- National Savings & Investments certificates

You'll need Helpsheet 343, 'Accrued Income Scheme' to help you fill in box 2.

 For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS343'.

#### Deeply discounted securities

These are securities where the amount payable exceeds the issue price by more than 0.5% for each year in the redemption period. They'll be included in your Lloyd's trading results. Put the total gross amount (with no tax taken off) in box 2.

## UK interest which has been taxed already

### Box 3 Interest from unit trusts etc and any other income from UK savings and investments

Put in box 3 the total net amount (after tax taken off) of interest received from unit trusts, investment trusts and other savings and investments.

From 6 April 2016, interest from bank and building society accounts is paid without tax deducted. Put interest received before 6 April 2016 with tax taken off in Box 3 and the amount of tax taken off in Box 4

If you've interest distributions, other interest payable or Property Income Distributions, the information that you'll need to fill in boxes 3 and 4 will be on your tax vouchers. Contact the unit trust manager, company or Lloyd's Tax Operations at Chatham if you don't have them.

### Box 4 Tax taken off

Put in box 4 the total tax taken off any interest paid to your Lloyd's funds.

Don't include any:

- amounts shown on your tax voucher as 'equalisation'
- dividend distributions – put these in boxes 6 to 11
- annual payments from UK trusts

## Income from personal funds at Lloyd's – UK dividends (year ended 31 December 2016)

The information you'll need to fill in boxes 6 to 10 is on the vouchers sent by companies and UK authorised unit trusts.

**Don't send any vouchers with your tax return, unless we ask for them.**

### Box 6 Stock dividends from UK companies

Put in box 6 the 'appropriate amount in cash' shown on your dividend statement, where you've taken an offer of shares in place of a cash dividend.

### Box 7 Notional tax credit on stock dividends from UK companies

Put in box 7 the 'notional tax credit' shown on your dividend statement.

Stock dividends (and other distributions) received on or after 6 April 2016 no longer qualify for the notional tax credit.

 For more information go to [www.gov.uk/tax-on-dividends](http://www.gov.uk/tax-on-dividends)

### Box 8 Bonus issues of securities and redeemable shares

If you've received a bonus issue by a company (or received by a company and then paid to you) of redeemable shares or securities - put in box 8 the amount of the distribution received for:

- redeemable shares – the nominal value plus any premium paid
- securities – the amount of the principal secured plus any premium paid less any new consideration for that issue

### Box 9 Other dividends and distributions from UK companies

Put in box 9 any other dividends and distributions not already included in boxes 6 to 8.

Include the amount of any dividend and tax credit (only paid on dividends received before 6 April 2016) automatically reinvested in a unit trust or open-ended investment company, and distributions where a company passes the value to you (the shareholder) by either selling an undervalued asset, or paying interest at more than a commercial rate.

**Don't include** any Property Income Distributions (read the notes for box 3).

### **Box 10 Tax credits on all other dividends and qualifying distributions from UK companies**

Put in box 10 the 'tax credit' amount shown on your dividend statement. The tax credit on dividends was abolished for dividends received on or after 6 April 2016.

You must tell us about the distribution in box 66 'Any other information'.

**Don't include** any amount shown as 'equalisation'.

### **Foreign sources income from assets in personal funds at Lloyd's (year ended 31 December 2016)**

Include in this section any interest or other income received from non-UK assets in your personal funds at Lloyd's.

If you're claiming relief for foreign tax paid as a credit against UK tax on your Lloyd's income, you'll need to fill in the 'Foreign' pages of the tax return.

**i** For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS240'.

### **Non-UK interest and other foreign sources income**

#### **Boxes 12 to 14**

Put in boxes 12 to 14 the amount of any foreign interest or other income (except dividends) you received in the 2016 calendar year from:

- foreign bank accounts
- loans to organisations outside the UK
- other foreign investments or assets
- income accumulating in reporting offshore funds that you've not yet received

### **Non-UK dividends**

#### **Dividend tax credits**

If you are a UK resident and receive dividends from foreign companies, you may be entitled to a tax credit equal to  $\frac{1}{9}$  of the dividend if received before 6 April 2016. Dividends received after this date no longer qualify for the notional tax credit.

To qualify for the  $\frac{1}{9}$  tax credit, the dividend must be received before 6 April 2016 and one of the following must apply to the company paying the dividend.

- It's not an offshore fund and you own less than 10% of the issued share capital, or any class of share
- It's an equity based 'offshore fund'. But, you will not qualify if the offshore fund holds more than 60% interest bearing assets
- It's not an offshore fund and is resident for tax purposes in a territory with which the UK has a Double Taxation Agreement (DTA) that includes a non-discrimination article

**Don't include** the following territories:

Antigua and Barbuda, Belize, Brunei, Grenada, Guernsey, Isle of Man, Jersey, Kiribati, Malawi, Montserrat, St Kitts and Nevis, Sierra Leone, Solomon Islands and Tuvalu.

The tax credit is not available if the dividend is:

- one of a series paid as part of a tax advantage scheme where any company within that series is not resident in a qualifying territory
- from one of the following excluded companies
  - Barbados – companies established under the International Business Companies Act(s)
  - Cyprus – companies entitled to any special tax benefits under various Cyprus enactments
  - Jamaica – companies established under enactments relating to International Business Companies and International Finance Companies
  - Luxembourg – holding companies established under the Luxembourg 1929 and 1937 Acts
  - Malaysia – companies carrying on offshore business activity under the Labuan Offshore Business Activity Act 1990
  - Malta – companies entitled to special tax benefits under various enactments

#### **Boxes 15 to 19**

You can find the information needed to fill in boxes 15 to 19 on your dividend vouchers.

**Don't include** any:

- distributions from liquidations
- return of capital

- stock dividends
- bonus shares on stock issues

Use the Working Sheet below to help you fill in boxes 15 to 19. You can find the information needed, on your dividend voucher. Don't include:

- distributions in the course of liquidations
- return of capital
- stock dividends
- bonus shares on stock issues

Copy the total of boxes 13 and 16 to box 43 on page LU 3.

Non-UK dividends	Qualifying for tax credit	Not qualifying for tax credit
Amount actually received	A £ <input type="text"/>	B £ <input type="text"/>
Foreign tax taken off before receipt	C £ <input type="text"/>	D £ <input type="text"/>
UK tax taken off before receipt	E £ <input type="text"/>	F £ <input type="text"/>
Box A + box C + box E	G £ <input type="text"/>	
Box G x 1/9	H £ <input type="text"/>	
Box A + box B + box H	£ <input type="text"/>	copy to box 15
Box C + box D	£ <input type="text"/>	copy to box 16
Box E + box F	£ <input type="text"/>	copy to box 17
Box B + box D + box F	£ <input type="text"/>	copy to box 19

### Other Lloyd's receipts

Lloyd's profits and losses include:

- income from syndicates that declared results for the 2013 account in 2016
- associated syndicate foreign tax
- withdrawals and releases from Special Reserve Funds
- non-syndicate income as a result of membership of Lloyd's for 1 January to 31 December 2016

### **Box 20 Aggregate syndicate profits**

Use the information on your form CTA 1 (2013).


If you have a profit – put the amount in box 20.

If you have a loss – put the amount in box 29.

### **Box 21 Net withdrawal/release from Special Reserve Fund (SRF)**

Put in box 21 any net withdrawals shown as SRF on your CTA 1 (2013), and any releases shown on the CTA 2 (2016).

Valuations of SRF releases upon cessation are taxable in the final underwriting year. This is usually the calendar year in which the Lloyd's deposit is repaid. For Exeat policyholders the final year will normally be the year following the year in which the policy is purchased. If you're in any doubt as to the year the release should be entered in box 21 please speak to your tax adviser or the Lloyd's Underwriters Unit.

 For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS240'.

### **Box 22 Stop loss recoveries**

If you have a loss on your syndicate results, and a stop loss policy is in place, put in box 22 the total of all personal stop loss recoveries payable for the 2013 account losses at 31 December 2016.

You must include:

- recoveries for earlier account run-off losses for 1 January to 31 December 2016
- any further recoveries due but not yet paid for losses incurred that have not yet been called

If you don't know the exact amounts that you'll receive, put an estimate in box 22 and tell us the reason why you used provisional amounts, and the date you'll give us your final figures, in box 66 'Any other information'.

### **Box 23 Compensation receipts**

Put in box 23 any compensation payments that you received from your Lloyd's membership in 2016, such as:

- damages awarded as a result of court action
- recoveries of legal costs arising from litigation in connection with membership of Lloyd's
- any out of court settlements

### **Box 24 Repayments of foreign tax previously allowed by deduction**

Put in box 24 the total of any Net Operating Loss refunds (originally claimed as a deduction) shown on your CTA 1 (2013). This must be in UK pounds.

If you had no participation in account 2013 you'll need your CTA 2 (2016).

If you had a foreign tax repayment, but received the original relief as a tax credit, read the notes on box 28 below.

### **Box 25 Other Lloyd's non-syndicate income**

Put in box 25 the total of any Lloyd's non-syndicate income not already included in box 23. For example, if the amount of premium paid on a quota share contract was less than the declared losses reinsured under the contract, put the difference in box 25.


Tell us about any non-syndicate income in box 66 'Any other information'.

## **Foreign tax repayments**

### **Box 28 If you have received a repayment of foreign tax on which Foreign Tax Credit Relief was given**

Use the information on your CTA 1 (2013).

If you're a Name with no 2013 account participations, you will need your CTA 2 (2016).

 For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS240'.

## **Lloyd's losses and expenses**

### **Box 29 Aggregate syndicate losses**

If the amount on your CTA 1 (2013) is a loss, put this figure in box 29.

### **Box 30 Net transfer to Special Reserve Fund**

Put in box 30 any net transfers to a Special Reserve Fund (SRF) shown on your CTA 1 (2013).

### **Box 31 Stop loss premiums paid**

Put in box 31 any stop loss premiums you paid 1 January to 31 December 2016.

### **Box 32 Personal Quota Share and Exeat premiums paid**

If your quota share contract is in accordance with the rules and practice of Lloyd's, the premium paid is an allowable expense; put in box 32 the amount of premium paid in 2016.

If you paid a cash call for a loss, and then reinsured your liabilities before you declared that loss, you can claim relief for the cash call in addition to the premium paid.

If your syndicate declared a loss, and you reinsured that liability before they called the loss, you can only claim up to the declared loss.

Any adjustments and premiums paid for Exeat policies will be shown on CTA 2 (2016).

### **Box 33 Estate Protection Plan premiums paid**

Use the information on your form CTA 2 (2016).

### **Box 34 Interest paid on loans to fund underwriting**

Put in box 34 the total of any interest paid on loans or arrangement fees for alternative finance that you took out to fund any:

- underwriting losses
- Lloyd's deposits and reserves
- stop loss premiums
- other Lloyd's personal expenses

Please keep any loan interest certificates in case we ask to see them later.

Don't include any interest on unfunded losses recharged to you by syndicate managing agents.

### **Box 35 Lloyd's Members' associations expenses paid**

If you had to pay any fees or annual subscriptions to Lloyd's, such as the Association of Lloyd's Members, put this amount in box 35.

If you belong to an association, the organiser of that association can tell you if your subscription and related expenses are allowable.

### **Box 36 Members' Agent profit commission and salaries**

Put in box 36 any profit commission shown in box 5 on your CTA 2 (2016).

Don't include any managing agents' salaries.

### **Box 37 Fees for bank guarantees/letters of credit**

Put in box 37 the amount of any annual renewal fees that you paid in the calendar year 2016.

Don't include any cost involved in setting up these arrangements.

### **Box 38 Accountancy fees**

Put in box 38 the total amount paid (in the calendar year 2016) to accountants or advisers for calculating your Lloyd's taxable result.

Don't include any other accountancy fees, such as Inheritance Tax planning or other business advice.

### **Box 39 Other Lloyd's expenses**

Put in box 39 the total of any additional items of personal non-syndicate expenses paid in 2016 that you've not included in boxes 29 to 38.

Tell us about these additional amounts in box 66 'Any other information'.

## **Lloyd's foreign tax**

### **Box 44 US income tax paid**

Put in box 44 the total US income tax paid, shown in UK pounds on your CTA 1 (2013).

If you're a Name with no 2013 account participations, you'll need to use your CTA 2 (2016).

### **Box 45 Canadian tax paid**

Put in box 45 the total Canadian tax paid, shown in UK pounds on your CTA 1 (2013).

If you are a Name with no 2013 account participations, you will need to use your CTA 2 (2016).

### **Box 46 Syndicate foreign tax**

Put in box 46 the amount of syndicate foreign tax shown on your CTA 1 (2013).

### **Box 47 Additional payments of foreign tax**

If you have made any additional payments of foreign tax for an earlier tax year, put this amount in box 47.

For more information foreign tax and relief against UK tax on Lloyd's profits, go to [www.gov.uk](http://www.gov.uk) and search for 'HS240'.

## **Calculating Lloyd's taxable profits or allowable losses**

**If you made a profit fill in boxes 49 to 52.**

### **Box 49 Profit from box 41**

If you've made a profit, copy the figure from box 41 to box 49 and fill in boxes 50 to 52.

### **Box 50 Foreign tax claimed as a deduction**

If you paid foreign tax and want to claim this as a deduction against your Lloyd's profits put the amount from box 48 in box 50.

### **Box 51 Lloyd's losses brought forward from earlier years used against this year's profits**

If you want to deduct any Lloyd's losses for the

2015 to 2016 tax year or earlier years from this year's profit, put the amount of any losses, which you previously claimed to be carried forward, on an earlier year's Lloyd's page of a return, in box 51. This mustn't be higher than the figure in box 49.

### If you made a loss fill in boxes 53 to 58.

#### Box 53 Loss from box 42

If you made a loss, copy the figure from box 42 to box 53 and fill in boxes 54 to 58.

#### Box 54 Foreign tax claimed as a deduction

If you paid foreign tax and want to claim this as a deduction to increase your Lloyd's losses, put the amount from box 48 in box 54 (you can't claim this by credit if the result is a loss).

#### Box 55 Loss for the year 2016-17

This is your total Lloyd's loss relating to the 2016 to 2017 tax year.

If you made a loss in the 2016 to 2017 tax year you may be able to claim tax relief for it.

In some cases you have to make claims for relief for 2015 to 2016 losses by 31 January 2019. Make sure that you make your claim within the time limit prescribed. We cannot (usually) accept late claims.

If relief has already been claimed for all or part of the underwriting loss at box 55, please give details in box 66 of:

- the amount claimed
- the year or years in which the loss was relieved
- any amendments to your original claim

For information on Lloyd's losses where these differ in the rules for commencement of trade and terminal loss relief as an Underwriting Name, read Helpsheet 240, 'Lloyd's underwriters'.

**i** For information about changes made to relief limits, applicable from 6 April 2016, go to [www.gov.uk](http://www.gov.uk) and search for 'HS227'.

#### Box 56 Loss set off against other income for 2016-17

Only include a loss for **this tax year** in box 56.

If you want to set off the amount of loss against your other taxable income for the 2016 to 2017 tax year, put this in box 56.

This figure mustn't be higher than your total income, less deductions.

If you can't use all your losses for the 2016 to 2017 tax year, you can carry back the balance of your loss by filling in box 57 or carry it forward by filling in box 58.

The time limit for claiming is **31 January 2019**.

#### Box 57 Loss carried back to set against earlier years

If you want to claim relief for this loss by setting it against previous years income, put the amount of the loss to be carried back in box 57.

The time limit for claiming is **31 January 2019**.

#### Box 58 Unused loss available to carry forward after all other set-offs

You can carry your loss forward to set against any future profits from your Lloyd's income. If you had any losses from previous years that you've not already used up, include them in box 58.

The time limit for claiming is **5 April 2021**.

### Lloyd's losses reconciliation

Use boxes 59 to 62 to work out any unused losses that you can carry forward to the 2017 to 2018 tax year.

#### Class 2 and Class 4 National Insurance contributions

All Names must pay Class 4 National Insurance contributions unless they're exempt from doing so.

#### Box 63 If your total profits for 2016-17 are less than £5,965 and you choose to pay Class 2 NICs voluntarily, put 'X' in the box

If your taxable profits are £5,965 or more, you pay Class 2 NICs (£2.80 a week). If your profits are less than £5,965 or you made a loss, you can pay Class 2 NICs voluntarily to protect your State Pension and certain benefits.

If you're employed and self-employed, you may be able to pay a lower amount of Class 2 NICs depending on the amount of National Insurance you pay from your wages.

**i** For more information go to [www.gov.uk/national-insurance/how-much-you-pay](http://www.gov.uk/national-insurance/how-much-you-pay)

Put an 'X' in box 63 if you want to pay Class 2 NICs voluntarily. You can't change your mind after you pay your bill.

**i** For more information go to [www.gov.uk/voluntary-national-insurance-contributions](http://www.gov.uk/voluntary-national-insurance-contributions)


**Box 64 If you are exempt from paying Class 4 National Insurance contributions**

You don't have to pay Class 4 National Insurance contributions if:

- on 6 April 2016 you were at or over State Pension age, or under 16, or
- you weren't resident in the UK for tax purposes during the 2016 to 2017 tax year

Only put an 'X' in the box if you're exempt.


Don't fill in box 65.

 To find out about your State Pension age go to [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

**Box 65 Adjustment to profits chargeable to Class 4 National Insurance contributions**

Put in box 65 any adjustments that can reduce the amount of Class 4 National Insurance contributions you have to pay, such as Lloyd's losses from earlier years that have not yet been set against profits chargeable to Class 4 National Insurance contributions.

If you've more than one business, there are special rules for calculating adjustments to profits that you pay Class 4 National Insurance contributions on.

 For more information go to [www.gov.uk](http://www.gov.uk) and search for 'HS220'.

**More help if you need it**

To get copies of any tax return forms or helpsheets, go to [www.gov.uk/taxreturnforms](http://www.gov.uk/taxreturnforms)

You can phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return.

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.