

Insurance Premium Tax (IPT) – Germany (February 2019)

Working through the International Group, and with specialised legal support, the Clubs continue to monitor the developing situation in Germany as regards Insurance Premium Tax on clubs' business.

With the support of a decision of the Cologne Fiscal Court in October 2017, the German tax authorities continue to assert that IPT (charged at 19% on the whole premium) is payable where co-assureds are domiciled in Germany even where the insured vessel is not German-registered, or the Member is domiciled elsewhere in the EU.

Following a recent decision of the German Federal Tax Court it is likely that the Cologne decision will be challenged, *inter alia* on the basis that in many instances this interpretation conflicts with EU tax harmonisation regulations designed to prevent double taxation. A definitive view is not expected before 2020 at the earliest.

Pending the outcome, it remains a risk that the October 2017 decision will be allowed to stand; or that tax authorities will enforce the existing interpretation before the October 2017 interpretation is reversed.