

# Isle of Man Customs & Excise

## VAT Notes No. 3 of 2017/18

### Items of general interest to Isle of Man Traders

Included in this Issue:-

- Sanctions and export control - **NEW**
- Cash Declarations
- Trade-Based Money Laundering (TBML)
- Do the Requirements of Anti-Money Laundering Law Apply to my Business?
- Proliferation and Proliferation Financing Risks
- VAT number validation
- Repayments by BACS, straight into your bank account - **NEW**
- Bank details supplied to us for the repayment of VAT
- Payment of VAT by electronic means - **NEW**
- Faster Payments by online or telephone banking
- Financial difficulties
- Online services
- Making your payment directly to our bank account when using the credit transfer payment option
- New and revised VAT Notices - **NEW**

#### **Sanctions and export control**

You are reminded that all businesses in the Island need to be aware of UN and EU sanctions – which can include financial sanctions, trade restrictions, embargoes etc. Factsheet 200 MAN – What Does My Business Have to Do with UN/EU Sanctions, and Export and Trade Controls? may be found at <https://www.gov.im/media/1356172/factsheet-200-man.pdf>

The most convenient way to get the latest news from Customs and Excise about changes to sanctions, as well as to export controls and related matters, is by subscribing to the free RSS feed at – <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/news/>

The policy of the Isle of Man Government is to maintain its lists of persons, individuals, companies and entities subject to sanctions in line with that in the UK. The UK Consolidated List may be found at – <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

The Customs and Excise Division also provides comprehensive advice and guidance on UN and EU sanctions, export controls, trade control licensing (restrictions on the movement between other countries of certain goods where Island persons are involved), trade-based money laundering and proliferation and proliferation and terrorist financing on its website at – <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

Sanctions Notice 26 provides general information and guidance to a business on how to deal with UN and EU sanctions. All persons in business in the Island are advised to read the Notice. It includes information on what to do if a person or entity is no longer subject to sanctions (“delisted”); if some other change means that an account should no longer be blocked or frozen; the treatment of so-called ‘false positives’ found when checking client and account databases; making it clear that a business is expected to maintain records of any potential and actual matches to names on sanctions lists, including false positives; and what to do if a client or customer name appears on the OFAC lists published by the US authorities.

#### **Cash Declarations**

Persons taking or sending large sums of cash to or from the Island are reminded that they must declare it to Customs and Excise if it amounts to €10,000 or more, (or the equivalent amount in another currency). Failure to do so could result in a penalty being imposed and the cash being seized. Copies of [Notice 9011 MAN](#) and [form C9011 MAN](#) are available on the website, or from Custom House, Sea Terminal and the Airport. A News Release reminder has also been issued at <https://www.gov.im/news/2016/apr/12/reminder-of-the-need-to-declare-large-sums-of-cash/>

#### **Trade-Based Money Laundering (TBML)**

TBML may be seen as the process of disguising the proceeds of crime and/or moving its value using the cover of real or concocted trade transactions, so as to legitimise the illicit origins of the proceeds. Notice 1000 MAN provides a general overview of the risks and challenges associated with TBML and what might be done to prevent and combat it and is

available on our website at <https://www.gov.im/media/1348726/notice-1000-man-trade-based-money-laundering-29-sep-17.pdf> The slides from a presentation given by Customs and Excise to the ACSP are now available on the website <https://www.gov.im/media/1351863/acsp-tbml-presentation-june-2016-final.pdf>

### **Do the Requirements of Anti-Money Laundering Law Apply to my Business?**

All designated businesses, and those that accept cash payments of €15,000 or more (or the equivalent in any currency), are required to comply with the legislation concerned with the prevention of money laundering. [Factsheet 100 MAN](#) is available on our website to help you identify if this applies to your business and what you must do.

### **Proliferation and Proliferation Financing Risks**

In September 2016, Customs and Excise published Notice 1008 MAN on proliferation and proliferation financing. This provides guidance to business on the risks and how they may be countered. This is available on the website at <https://www.gov.im/media/1352777/notice-1008-man-proliferation-and-proliferation-financing-risks-13-jun-17.pdf>

### **VAT number validation**

You can verify the validity of a VAT number issued by any Member State, including Isle of Man (IOM) and United Kingdom (UK) VAT numbers, on the *europa website* using the weblink below. Simply select the Member State from the drop-down menu provided (GB applies to IOM and UK VAT numbers), and enter the number to be validated (no spaces). Click *Verify* and a confirmation window will then open providing name and address details in respect of valid VAT numbers and further guidance in respect of invalid numbers. Go to [http://ec.europa.eu/taxation\\_customs/vies/vatRequest.html](http://ec.europa.eu/taxation_customs/vies/vatRequest.html)

### **Repayments by BACS, straight into your bank account**

We can send a payment straight to your bank account if you are due a VAT repayment. To receive your repayments straight to your bank please complete and send to us a [BACS Application Form – BACS 1 MAN](#) available on our website.

Payments by BACS are faster, safer and more secure than Payable Orders which can take up to 6 days to clear and will be phased out in the future.

### **Bank details supplied to us for the repayment of VAT**

If you have supplied us with your bank account details for the repayment of VAT directly to your bank account, please remember to advise us of any future changes to these details which may affect repayments to you, in order to avoid unnecessary delay. A [BACS Application Form – BACS 1 MAN](#) is available on our website for completion.

### **Payment of VAT by electronic means**

Isle of Man Customs & Excise prefer electronic payments and encourage customers to pay this way. In comparison to electronic methods, cheques are less secure, more susceptible to fraud, slower and more expensive to process.

Traders who pay their VAT liability electronically (e.g. BACS, CHAPS, Faster Payments or Bank Giro Credit Transfer) are reminded that they have an extra 7 calendar days to submit their return and payment.

However, please ensure that your payment instruction is made in sufficient time to credit our bank account on or before the 7<sup>th</sup> calendar day, allowing for weekends and bank holidays.

For example, if the 7<sup>th</sup> calendar day falls on a Sunday, you should ensure that your instruction has been placed with your bank in sufficient time to credit our account on the previous bank working day, i.e. the preceding Friday (unless this is a bank holiday). If the 7<sup>th</sup> calendar day falls on a bank holiday, you should also ensure that your instruction has been placed with your bank in sufficient time to credit our account on the previous bank working day.

Banks and building societies can operate different arrangements for setting up payments, so before making a payment to us you must check the following with your own bank or building society:

- Are there any single or daily limits to how much you can transfer from your account?
- Is there a bank cut-off time for processing payments on the same day?
- How long will it take for your bank to send your payments to us?

Checking these details will help to ensure that you do not incur any unnecessary late payment surcharges. **Please remember to use your VAT registration number as the payment reference.** For further advice and guidance please contact our Debt Management Unit on 648160. A Notice entitled '[Electronic Payments](#)' is also available on our website

### Faster Payments by online or telephone banking

Traders who pay their VAT liability electronically using Faster Payments are advised that specific advice and guidance notes are available on our [website](#).

Because we operate to statement entries rather than available funds, of particular note is the cut off time for making a payment on the same day, which is not when the funds leave your account and become available to the recipient.

### Financial difficulties

Isle of Man Customs and Excise takes a sympathetic and flexible approach to businesses facing temporary financial difficulties. If you are worried about being able to meet your tax liabilities, please get in touch with us to discuss payment options to help you deal with temporary cash flow difficulties.

Our officers will review your circumstances with you and can discuss temporary options tailored to your business needs.

Please get in touch with us as soon as you believe you may have difficulty in making a payment; our telephone number for this service is 648152.

Additional late payment surcharges will not be charged once an agreement has been reached with you provided the agreement is accepted before the debt becomes due, although interest will continue to be payable on those taxes where it applies.

### Online services

You can submit your VAT Return, EC Sales List and make a payment online. You can also view your previously submitted VAT Return details. To use online services you should register with IOM Government Portal <https://www.gov.im/onlineservices/> to create your own ID and Password. Then once registered, select Customs and Excise to enrol for the service.

It is our normal practice to issue activation codes to enrol to use the online service, to all newly VAT registered businesses. However, if these have been lost, or have expired, a new activation code can be obtained by contacting Customs and Excise on 01624 648100, or email to [customsonline@gov.im](mailto:customsonline@gov.im) for this and any other online queries. For further details of how to enrol, visit the online services page on our website <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/registering-for-online-services/>

The online services continue to grow in popularity; with approximately 77% of all VAT returns now being submitted online this year. Similarly, the online service for submitting EC Sales Lists is being used extensively, with approximately 96% of data being submitted online rather than through traditional paper methods. Please note, the due date for submitting EC Sales Lists is 21 days from the end of the period if submitting electronically, but only 14 days if submitting in paper form.

### Making your payment directly to our bank account when using the credit transfer payment option

If you are using the C&E online facility, there is a credit transfer option which enables you to indicate to us that you intend to instruct your bank to transfer money from your account. Our account details are provided at the end of this option and are also printed on the reverse of your paper VAT return. You still need to instruct your bank to make the transfer and they will be able to advise you on the best electronic means available to you. **Please remember to use your VAT registration number as the payment reference.**

Please be aware that many Government departments/divisions have their own separate bank accounts and if you pay money due to Customs & Excise to another division's bank account, e.g. Income Tax, there may be a delay in applying the payment or it might be returned by the recipient. Please take extra care to ensure that you make payment to the correct bank account.

### New and revised VAT Notices

Notice 910 MAN Code of Practice – How Customs and Excise Uses the Information It Collects. First published in August 2007 (updated to 22 September 2017) and available on our website at <https://www.gov.im/media/90811/notice-910-man-code-of-practice-re-information-collected-by-c-and-e-22-sep-17.pdf>

### Contacting Isle of Man Customs & Excise

Unit Phone		Email
VAT Advice	648130	<a href="mailto:customsadvic@gov.im">customsadvic@gov.im</a>
VAT Registration	648120	
VAT Deregistration	648150	
Excise & Customs Advice	648140	
Debt Management	648160	<a href="mailto:dmu.customs@gov.im">dmu.customs@gov.im</a>
Assurance Visiting Teams	648170	<a href="mailto:Assurance.Customs@gov.im">Assurance.Customs@gov.im</a>
Support Services	648180	<a href="mailto:SupportServices.Customs@gov.im">SupportServices.Customs@gov.im</a>

Customer Relationship Unit	648190	<a href="mailto:cru.customs@gov.im">cru.customs@gov.im</a>
General Enquiries	648100	<a href="mailto:customs@gov.im">customs@gov.im</a>
Online Services	648103	<a href="mailto:customsonline@gov.im">customsonline@gov.im</a>
Anti Smuggling	648110	
Customs Hotline	0800 59 5000	
Sanctions & Export Control	648138	<a href="mailto:customs@gov.im">customs@gov.im</a>

Fax 661725

Web page

[www.gov.im/customs](http://www.gov.im/customs)

Address

PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG

Customs and Excise feedback [form](#)