

Isle of Man Customs and Excise

Compliance Checks – General information

We have given you this factsheet because we have started a compliance check.

This factsheet contains important information. Please take the time to read it and keep it safe – you may need to refer to it during the check.

The compliance checks covered by this factsheet may or may not involve a visit to your business premises or home.

This factsheet is one of a series. For the full list of factsheets in our Compliance Checks series, go to <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/public-notice/visits-by-customs-and-excise-officers/>

What is a compliance check

We carry out checks into returns or other documents to make sure that our customers are paying the right amount of tax at the right time. We call these checks 'compliance checks'.

We carry out some checks over the phone. If we phone you, you can ask us to write to you instead. Some types of check can only be done within a certain time limit. The officer dealing with the check can explain these time limits to you. If we find something wrong we may extend our check, for example, we may check earlier periods.

What happens during a compliance check

We will always tell you what we are checking. If we find that we need to extend the scope of our check, we will tell you.

If you have appointed a representative, you can ask us to deal directly with them during the check. We may also tell them that we have started a check. We will only give your representative details of the check if you have authorised us to contact them. Information about how you can authorise a representative is on page 4 of this factsheet.

We will ask you to give us any information or documents that we may need during the check. In some cases we will ask to visit your business premises, if you have any. We normally only ask to visit you at home if you run your business from there.

If you are unsure why we are asking for something, please speak to the officer dealing with the check and they will explain why they need it. If you cannot do what we ask, or if you think that something we have asked for is unreasonable or not relevant to the check, please tell the officer dealing with the check. They will consider your reasons carefully and if they still think they need it, they will tell you why.

If you have any questions at any stage of our check, please contact the officer dealing with the check.

If you need help

If you have any questions, please contact us. You can also look for the information you need on our website, <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/>

Don't stop sending returns and making payments

During the compliance check, please carry on sending returns and making payments when they are due.

What if you are unhappy with our service

If you are unhappy with our service, please tell the person or office you have been dealing with. They will try to put things right. If you are still unhappy, they will tell you how to complain.

What if you need more time to do something we have asked you to do

If you need more time to do something we have asked you to do, please let us know. If we think it is reasonable to do so, we will allow you more time. You can also ask us to postpone the check if you have a good reason, for example, if you are seriously ill or someone close to you has died.

The benefits of helping us with a check

Helping us with our check can have benefits for you. It will allow us to complete the check as quickly as possible and reduce any inconvenience that it may cause you.

We may not find anything wrong. But if there is something wrong, helping us with our check will also reduce the amount of any penalty we may charge.

If we do find something wrong we will work with you to put it right. We will also tell you about any additional tax and 'late payment' interest that is due, and about any penalty that may be due.

You can reduce the amount of any penalty by **giving us assistance throughout our check**. We call this assistance the 'quality of disclosure'. We measure this by considering how much:

- you tell us about what is wrong
- help you give us to work out what is wrong
- access you give us to your records.

If we:

- ask you for information or documents and you do not provide these when we ask for them, or
- ask to visit your business premises to inspect your business records, assets or premises, and you refuse

this may affect our view on the quality of disclosure, and the amount by which we reduce any penalty.

How to qualify for the maximum penalty reduction if something is wrong

If **you know or suspect** that there is something wrong, you must:

- tell us everything you know about what is wrong **as soon as** we tell you that we have started a check, and
- work with us to calculate the right amount of tax.

If **we have found** something wrong that you did not know about, you must:

- have given us as much assistance as we needed up to that point, and
- as soon as we tell you that there is something wrong, tell the officer dealing with the check everything about it, let them see any additional records they need and help them to calculate the right amount of tax.

We will reduce the penalty by the maximum amount possible if we agree that you have done everything you could to assist us. If you delay telling us, you may still be entitled to a reduction but it will be smaller. You can find more information about penalties and penalty reductions in our penalty factsheets. Details of all the

If you prefer, you can ask the officer dealing with the check to send any of them to you.

The following factsheets have been withdrawn with effect from 31 August 2012.

CC/FS1 (MAN) – see Factsheet 1a (MAN)

CC/FS6 (MAN) – now withdrawn and content incorporated into other factsheets

CC/FS7 (MAN) – see Factsheet 7a (MAN) or Factsheet 7b (MAN)

CC/FS8 (MAN)

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

Privacy Notice

To find out more about how we collect and use personal information, contact any of our offices or visit our website at:

<https://www.gov.im/about-the-government/departments/the-treasury/privacy-notice/>

We will send you a paper copy if you telephone us or write to us using the contact details provided on this form.

factsheets in the Compliance checks series, and how you can get copies of them, are on page 1.

What if you think we should stop the check

If you think we should stop the check, please tell us why. If we do not agree, you may in some cases be able to ask the independent tribunal that deals with tax matters to decide whether the check should stop.

What happens if something is wrong

If something is wrong, we will explain why and work with you to put it right. Where relevant, we will also tell you how to prevent it happening again. We may also ask you to sign a certificate confirming that you have told us about all relevant facts relating to our check.

If you are due to pay us some money, we will tell you how to pay. You may also have to pay interest and any penalty that is due.

If you are due some money from us, we will normally repay you or credit your account. In some cases we will also pay you interest.

What happens if you have deliberately done something wrong

If you:

- give us information that you know to be untrue, whether verbally or in a document, or
- dishonestly misrepresent your liability to tax or claim payments to which you are not entitled

we may carry out a criminal investigation with a view to prosecution.

What happens at the end of a check

We will finish our check by sending you one or more 'decision notices' if appropriate.

A decision notice can be any one of the following:

- an assessment or amendment to an assessment
- a penalty notice if a penalty is due
- a letter setting out what the final position is.

What if you cannot pay what you owe

If you think you may have problems paying, please tell the officer dealing with the check.

What to do if you disagree

If you disagree with anything during the check, please tell the officer dealing with the check what you disagree with and why.

You can appeal against most of the decisions that we make. We will write and tell you when we make a decision that you can appeal against. We will also explain the decision and tell you what you need to do if you disagree. You will usually have three options.

Within 30 days you can:

- send new information or arguments to the officer you have been dealing with
- have your case reviewed by a different officer who has not been involved in the check
- arrange for your case to be heard by an independent tribunal, who will decide the matter.

You can find more information about this in factsheet IOMC&E1 *IOM Customs & Excise decisions – what to do if you disagree*. Details of how you can get a copy are on page 1.

Your principal rights and obligations

You have:

- the right to be represented – you can appoint anyone to act on your behalf, including professional advisers, friends or relatives
- the right to consult your adviser – we will allow a reasonable amount of time for you to do so
- an obligation to take care to get things right – if you have an adviser, you must still take reasonable care to make sure that any returns, documents or details they send us on your behalf are correct.

Your rights when we are considering penalties

If there is something wrong and we are considering penalties, we will tell you.

The European Convention on Human Rights gives you certain rights when we are considering penalties.

You can find full details about these rights in factsheet 9 (MAN) *Compliance Checks – The Human Rights Act and Penalties*. Details of how you can get a copy are on page 1

Authorising a representative

You can authorise someone to deal with us on your behalf. This includes professional tax advisers, friends or relatives. They can deal with us just for a compliance check, or more permanently for your day to day tax affairs.

If you want to authorise a professional tax adviser, they will be able to give you a form to complete and send to us. If you want to authorise someone other than a professional tax adviser, you will need to write to tell us who you want to authorise and what you want them to deal with for you.

This factsheet relates to compliance checks into any of the following:

Machine Games Duty
VAT
Soft Drinks Industry Levy (wef 1 April 2019)