

Isle of Man Customs and Excise

Compliance Checks – Information notices

We have given you this factsheet because we have given you an information notice.

What is an information notice

An information notice is a document that legally requires a person to give us certain information and documents to allow us to check their own or another person's VAT position.

When we use an information notice

If we are checking your VAT position, we will normally ask you to help by giving us the information and documents that we need. If you do not do this, we may give you an information notice.

In some circumstances, we may ask the independent tribunal that deals with VAT to approve the issue of an information notice. We will tell you if the notice we give you has been approved by the tribunal.

Sometimes we may need to give an information notice without having asked for the information or documents first.

What the information notice will tell you

The information notice will tell you:

- what documents and/or information you will need to give us
- how and when to give us what we need
- about your appeal rights.

What information and documents we can ask for in an information notice

We can ask for information or documents if we believe it is reasonable to ask for them because they are relevant to our check.

If you think that something we have asked for is unreasonable or not relevant to the check, please tell the officer that sent you the information notice. They will consider your reasons carefully and if they still think they need it, they will tell you why.

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/>

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.

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.

This factsheet relates to checks into the following:

VAT

This factsheet is one of a series:

For the full list of factsheets in the Compliance checks series, go to <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/public-notices/visits-by-customs-and-excise-officers/>

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

What information and documents we cannot ask for in an information notice

We are not able to use an information notice to ask you to give us information or documents:

- that are not in your possession and you cannot get the documents, or copies from whoever holds them
- that relate to the VAT position of a person who died more than four years before the notice is issued
- that have been created as part of the preparation for a VAT appeal
- that are personal records concerned exclusively with a person's physical, mental, spiritual or personal welfare
- that are privileged communications between lawyers and clients for the purpose of obtaining or giving legal advice
- if you are an auditor, tax adviser or journalist and the information or documents have been created for the purposes of your profession
- if you are the subject of journalistic material and the information or documents have been created by a journalist for the purposes of their profession.

The rules about what information and documents fall into these categories, especially personal or privileged communications, can be complicated. If you think that anything we have asked for may fall into these categories, please discuss this with the officer dealing with the compliance check.

What to do if you think an information notice is unreasonable and we do not agree

If we send you an information notice and you think that the request is unreasonable or not relevant to the check, and we do not agree, you can appeal to the independent tribunal that deals with VAT appeals. We will tell you how to do this. You cannot appeal against an information notice that has either been approved by an independent tribunal or is a request for statutory records that relate to any of the following:

- the supply of goods or services
- the acquisition of goods from another member state
- the importation of goods from a place outside the member states in the course of carrying on a business

Statutory records are the records that VAT laws say a person must keep.

If you need more time to give us what we have asked for, you should contact the officer that sent you the information notice.

Asking another person for information about you

If you cannot or do not provide us with what we have asked for, we may need to get it from another person. If this is the case, we will normally ask for your permission before we contact them. If we ask another person for information, we will not reveal any more about you than is necessary to get the information we need. If we ask for your permission and you do not want to give it, you do not have to, but please tell us why.

If you do not give permission and we still need to get the information, we will normally ask the independent tribunal that deals with VAT to approve the issue of an information notice.

Sometimes we may need to give another person an information notice without asking you for the information or documents first.

We do not need approval from you or the tribunal if we need to ask another person for statutory records that relate to:

- the supply of goods or services
- the acquisition of goods from another member state
- the importation of goods from a place outside the member states in the course of carrying on a business.

What happens if you fail to comply with an information notice

If you do not give us everything that the information notice asks for, we may charge you a £300 penalty. If you have still not complied with the notice by the time we have issued the £300 penalty, we may then charge you daily penalties of up to £60 a day for each day that you do not comply. We may then charge you a penalty based on the amount of VAT that is due to us. This kind of penalty must be authorised by the independent tribunal that deals with VAT.

Any information you give us must be correct as far as you know. If you give us information or documents that you know are wrong without telling us what is wrong, you may have to pay a penalty.

If you conceal, destroy or otherwise dispose of any document we have asked for in a tribunal approved notice, or arrange for it to be concealed, destroyed or disposed of, you may have to pay a penalty or you may be prosecuted.

If we agree that you have a reasonable excuse for not giving us information or documents, we will not charge you a penalty but we will still ask you for the information, documents (or replacement documents) to be provided within an agreed timescale.

A reasonable excuse is normally an unexpected or unusual event that is either unforeseeable or beyond your control. What is or is not a reasonable excuse depends on an individual's abilities and circumstances. Those abilities and circumstances may mean that what is a reasonable excuse for one person may not be a reasonable excuse for someone else. If you think you have a reasonable excuse please tell us.

Examples of reasonable excuse may include, when:

- you have been seriously ill
- someone close to you has died
- you have lost the documents in a fire or flood.

Your principal rights and obligations

- You have the right to be represented during our check. You can appoint anyone to act on your behalf. This includes professional advisers, friends, relatives and so on.
- You have the right to consult your adviser. We will allow a reasonable amount of time for you to do so.
- We will protect information we obtain, receive or hold about you.
- We can only ask you for what is reasonable for us to carry out our check. What is reasonable will depend on the circumstances of the check.
- You have the right to complain if you believe that we have not treated you fairly.
- You have 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.