

Isle of Man Customs and Excise

Compliance Checks –

Visits – by agreement or with advance notice

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-notice/visits-by-customs-and-excise-officers/>

Why we visit business premises

As part of a compliance check, we may ask to visit your business premises if you have any. This is so that we can look at your records or business assets and find out more about how your business operates. We only visit if we think it is necessary. A visit can help us complete the check more quickly and effectively.

How we arrange a visit

Visits are normally carried out with your agreement. We will contact you by phone or letter to arrange a date and time for the visit. We will usually give you at least seven days notice. If you need to change the appointment, please let us know as soon as possible.

If we have not been able to get your agreement to a visit, we may still need to visit your business premises to carry out an inspection. If we do, we will give you advance notice. We will also give you a notice of inspection. This is a legal document that allows us to inspect your business premises, assets and statutory records. Statutory records are the records that VAT laws say a person must keep.

In some circumstances we may carry out an inspection without giving advance notice or seeking agreement. You can find more information about this in factsheet 4 (MAN) *Unannounced visits for inspections* and factsheet 5 (MAN) *Unannounced visits for inspections approved by the tribunal*. Details of how you can get a copy of these factsheets are shown in the right hand panel of this factsheet.

If you do not think we should visit, please tell us why. We will explain why we want to visit you and why we think a visit is the best way to carry out our check. There may be other options for us to get the information we need.

About the visit

You do not have to be present at the visit, but it will be helpful if you are. This will allow us to ask you any questions we may have about your business and how it operates, and discuss the outcome of the visit with you. This will help us complete the check as quickly as possible and reduce any inconvenience that it may cause you.

If you cannot be there, someone else must be there to give us access to any assets or records that we need to see. We will normally let you know in advance what records or assets we need to see. If we have given you a notice of inspection, this will give you details of what we need to inspect and when.

If you have an adviser we may contact them to tell them about our check. You can ask your adviser to be there when we visit. If you prefer, we may be able to look at your records in your adviser's office or in our office. Please let us know if this is the case.

A visit to a small business may take a few hours, but if your business is large or complex, or if the matters we are looking at are complex, it may take several days. When we arrange the visit, we will let you know how long we expect it to take.

We do not usually need to talk to people who work for you about our check. However, we may ask to speak to the people who keep your records up to date, such as payroll and finance records. If you do not want them to know about our visit, please let us know.

We may need to take some of your records away to check in our own office. If we do, we will explain why. We will give you a receipt for your records, keep them secure and return them to you as soon as we can. If you need them back sooner, we will make copies in our office and give these to you.

If you have any business assets that are kept somewhere other than the premises we are visiting (for example, if you have more than one premises), we may need to arrange a further visit to see them.

What if you run your business from home

We will normally only ever ask to visit you at home if you run your business from there.

Please tell us in advance if your business premises are also your home, or if you keep any stock or other assets at home. The visiting officer will only be able to enter those parts of your home which are used for business purposes if you invite them in. If we visit you at your home without knowing in advance that it is your home, we will only come in if you give your permission. If you do, we will ask for your signature to confirm this.

What if we have given you a notice of inspection and you fail to comply with it

If we give you a notice of inspection and you do not allow us to carry out the inspection, we may ask an independent tribunal to approve an inspection. If they approve an inspection and you still do not allow us to carry it out, we will charge you a £300 penalty. You might also have to pay further penalties of up to £60 a day until you allow us to carry out the inspection.

If you have a reasonable excuse for not allowing us to carry out an inspection that has been approved by the tribunal, we will not charge you a penalty. Please tell us straightaway if you think you have a reasonable excuse.

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. If we accept that you have a reasonable excuse, we will not charge a penalty.

The Human Rights Act and your privacy

Article 8 of the Human Rights Act gives you the right to respect for your private and family life, your home and your correspondence. We have the right to carry out an inspection in a reasonable and proportionate way even when it conflicts with your rights. If you think our inspection is not reasonable and proportionate, tell us why.

Concealing, destroying or otherwise disposing of documents

We may charge you a penalty if you or another person acting on your behalf conceals, destroys, or disposes of any document that we:

- have asked for in an information notice;
- told you that we intend to ask for in an information notice.

It's a criminal offence to conceal, destroy or otherwise dispose of any document that we:

- have asked for in an information notice that has been approved by the tribunal;
- told you that we intend to ask for in an information notice that has been approved by the tribunal.

We may carry out a criminal investigation with a view to prosecution if you or someone acting on your behalf commits this offence.

What happens if you give us information that you know to be untrue

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.