

Treasury
Customs and Excise Division

Notice 143 MAN

A Guide for International Postal Users



January 2021



Isle of Man
Government

Reilrys Ellan Vannin

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1. INTRODUCTION

1.1 What this notice is about

This notice explains what happens when you import or export goods by using the postal system in the Isle of Man. It also applies to gifts received through the post.

Cash sent to or from the Island may also need to be declared (see paragraph 1.2).

The arrangements set out in this notice do not apply when a full declaration on a single administrative document (SAD) (form C88) is required. That is for:

- imports of goods with a value exceeding £900 declared to home use and free circulation
- imports of goods for which relief from Customs Duty and Import VAT is being claimed, for example, inward processing relief, outward processing relief and temporary importation
- certain exports including all goods for export with a value exceeding £900

You can find more information on the procedures you should use in Notice 144 Trade imports by post: how to complete customs documents.

The notice is not the law and does not change the law - extracts of which can be found in section 6.

The carriage of dangerous goods in post, including (but not limited to) alcohol and perfume, is regulated by Universal Postal Union rules and the Post Office conditions of carriage. Nothing in this notice should be construed as legitimising movement of any goods by post.

Further information can be found on the [Isle of Man Post Office](#) website.

1.2 Cash

Cash sent to or from the Isle of Man and exceeding £10,000 (Sterling) must be declared to Customs and Excise. Please see Notice 9011 MAN for more information. "Cash" is defined as meaning -

- (a) notes and coins in any currency;
- (b) postal orders;
- (c) cheques of any kind, including travellers' cheques;
- (d) bankers' drafts;
- (e) bearer bonds and bearer shares;
- (f) a monetary instrument prescribed by order made under section 76A(3);

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- (g) a forged or counterfeit version of any instrument or currency mentioned in sub-paragraph (a) to (f) of this definition using as its value the purported or face value;
 - (h) a stored value card, being a device with a monetary value stored on the device itself, not in an external account maintained by a financial institution; and
 - (i) a document, device, coin or token which has a monetary value which is stated or included on, or in, or is ascertainable by reference to the document, device, coin or token and which can be used as, or exchanged for, currency.

2. Postal packages imported (arriving) from countries outside the UK

2.1 How the sender should declare the goods

Under international postal agreements, the sender must complete a customs declaration (CN22 or CN23) which will be fixed to the package in most cases. The declaration includes a description of the goods, their value and if they're gifts or commercial items. Any Post Office abroad should be able to give advice to the sender. Under customs law, you (as the importer) are legally responsible for the information on the declaration. Therefore, it's in your own interest to make sure, wherever possible, that the sender abroad completes the declaration accurately and in full.

If no declaration is made, or the information is inaccurate, the package may be delayed while Customs and Excise make further enquiries, or in some cases, the package and its contents may be returned to the sender or seized by Customs Officers.

2.2 Paying taxes on goods sent to you

Most goods arriving in the IOM from outside the UK are liable to any or all of the following taxes:

- Customs Duty
- Excise Duty
- Import VAT.

These taxes must be paid if:

- you purchase the goods or receive them as a gift;
- the goods are new or used (including antiques);
- the goods are for your private use or for re-sale.

2.3 Limits for Customs Duty and Import VAT

The limits for Customs Duty and Import VAT are detailed below along with any changes that apply now that the UK has left the EU. For imports of goods from outside the UK in consignments not exceeding £135 in value (which aligns with the threshold for customs duty liability), we have moved the point at which VAT is collected from the point of importation to the point of sale. This will mean that IOM supply VAT, rather than import VAT, will be due on these consignments.

- commercial consignments (goods you've purchased) of £135 or less are free from Customs Duty and not subject to Import VAT - this does not include alcohol, tobacco products, perfume or toilet waters as these items are excluded from the relief of Customs Duty and VAT at import is payable;
- commercial consignments sent to the IOM from the Channel Islands do not benefit from any relief of Import VAT;
- if you're sent a gift with a value of £39 or less, which complies with the rules shown in section 2.4, it will be free from Customs Duty and Import VAT (gifts of alcohol and tobacco are subject to the limits shown in section 2.5 and gifts of perfumes and toilet waters are subject to the limits in section 2.6);
- Customs Duty becomes payable if the value of the goods is over £135.

In summary:

Goods value	Customs charges applicable
£0.01 to £135	No Customs Duty No Import VAT
£135.01 and greater	Customs Duty due Import VAT due

Excluding the following: alcohol, tobacco products, perfumes and toilet waters. These items do not benefit from the relief of Customs Duty or VAT at import, and alcohol and tobacco products will also be liable to Excise Duty.

There are a number of other circumstances where relief from some or all customs charges may be available. If you think your goods may be eligible for a relief, you can find more information on

If you think your goods may be eligible for relief, you can find more information on our [website](#) pages and links to information held on HMRC's website. You can also contact us at customs@gov.im

2.4 Gifts

Goods sent as a gift that are over £39 in value are liable to Import VAT. Customs Duty also becomes payable if the value of the goods is over £135.

To qualify as a gift:

- the customs declaration must be completed correctly;
- the gift must be sent from a private person outside the UK to a private person(s) in the IOM;
- there is no commercial or trade element and the gift has not been paid for either directly or indirectly by anyone in the IOM;
- the gift is of an occasional nature only, for example, for a birthday or anniversary.

If you purchase something from outside the UK to give as a gift to a relative or friend, whether or not it is addressed to that person, it will be treated as a 'commercial consignment', for which the Import VAT relief threshold in section 2.3 applies.

2.5 Gifts of alcohol and tobacco products

Gifts of alcohol and tobacco products, with a value not exceeding £39, qualify for relief from import duties and Import VAT, subject to the following limits against each of the goods described below:

(1) Tobacco products	Quantity
cigarettes	50
or	
cigarillos (cigars with a maximum weight each of 3 grammes)	25
or	
cigars	10
or	
smoking tobacco	50 grammes
(2) Alcohol and alcoholic beverages	
distilled beverages and spirits of an alcoholic strength exceeding 22% by volume, undenatured ethyl alcohol of 80% by volume and over	1 litre
or	
distilled beverages and spirits, and aperitifs with a wine or alcohol base, tafia, saké or similar beverages of an alcoholic strength of 22% by volume or less, sparkling wines and fortified wines	1 litre
or	
still wines	2 litres

If gifts of alcohol or tobacco are sent in excess of the quantities shown in the above table, relief from Import Duty will only apply up to the limits shown above, and the consignment will not benefit from any relief of Import VAT.

Relief to the limits in the table above only apply to gifts and do not apply to commercial consignments.

In addition, Excise Duty is payable on all alcohol and tobacco products, even if they are a gift.

Undenatured ethyl alcohol and alcoholic beverages containing more than 24% alcohol by volume (abv) are prohibited in international mail. If you're in doubt, you can check with the Post Office before sending.

2.6 Gifts of perfumes and toilet waters

Customs Duty and Excise Duty are not chargeable on gifts of perfumes and toilet waters. However, Import VAT is chargeable if the allowances detailed below are exceeded, or the goods' value exceeds £39.

Item	Quantity
Perfumes	50 grammes of perfume
Toilet waters	0.25 litres of toilet water

Relief to the limits in the table above only apply to gifts and do not apply to commercial consignments.

Perfumes with a flashpoint of less than 60°C is prohibited in international mail. If you're in doubt, you can check with the Post Office before sending.

2.7 Multi-gift packages

Multi-gift packages containing more than one gift and clearly intended for several people, the £39 VAT relief applies to each individual person, provided the goods are:

- individually wrapped
- specifically addressed to them
- declared separately on the customs declaration
- within the allowances specified
- marked with the price for each individual item on the declaration.

If more than one individual package is addressed to a particular person, the value of the goods will be added together. If the total value exceeds £39, Import VAT will be charged and, if the value exceeds £135, Customs Duty may also be due.

If a package contains a number of different types of goods intended for more than one person, and these are separately described and given a value on the customs declaration, the waiver of Customs Duty will apply to each item. For Import VAT, only as many items that add up to the value of the Import VAT threshold (£39) will be granted relief - for example, if a package contains 5 items each with a value of £8, only 4 items will be entitled to relief (4 x £8 = £32) with charges payable on the fifth item.

When one item is sent to 2 people and its value exceeds £39, it's not possible to aggregate each person's gift relief, and the value of an individual item itself cannot be divided - for example, one item with a value of £50 sent to 2 individuals cannot benefit from the gift relief.

Goods sent as gifts	Relief given
One item valued at £39 or below	Free of Customs Duty and Import VAT
One item valued at £39.01	Import VAT is chargeable on the full value
Five of the same items valued at £8 each	Four items are relieved of Import VAT leaving Import VAT chargeable on the remaining one item
Five different items valued at £120 each	Import VAT is chargeable on the full value
One item valued at £300	Customs Duty is charged. Import VAT is chargeable on the full value

2.8 How and why Customs Officers examine packages

Customs officers examine postal packages arriving in the Isle of Man for prohibited or restricted goods, such as:

- drugs
- indecent or obscene material
- weapons
- endangered species
- counterfeit goods
- undeclared cash

They examine packages to confirm the description and value stated on the declaration are correct and also check the customs declaration to determine if Customs Duty, Excise Duty and Import VAT is chargeable.

Customs officers will sometimes need to examine the contents of a package, particularly when the sender has not completed the declaration correctly. In such cases, the opening, repacking and resealing of the package is carried out, under Customs officers instruction, by Post Office staff.

3. Charges

3.1 The calculation of import charges

Charges are calculated by Customs officers. Customs Duty becomes payable if the goods are more than £135 in value.

The amount of Customs Duty charged will depend on the type of goods imported and the value stated on the customs declaration CN22/CN23 (converted to pound sterling using the rates of exchange for the month of importation as shown on the HMRC website).

The percentage varies depending on the type of goods and their country of origin. Duty is charged on:

- the price paid for the goods
- any local sales taxes
- postage, packing and insurance

However, the cost of postage is excluded from the calculation for Customs Duty on gifts except where the sender has used the Express Mail Service (EMS) as opposed to a standard mail service.

Where the value of gifts is below £630 per consignment, a flat rate of duty of 2.5% will be applied, but only if it's to your advantage.

Excise Duty is charged on alcohol and tobacco products, and is additional to Customs Duty. The Excise Duty on alcohol products (such as wines and spirits) depends on the alcohol content and volume. In the case of wine and cider, it depends on if they're sparkling or still. Duty on cigarettes is based on a percentage of the recommended retail selling price, plus a flat rate amount per 1,000 cigarettes. On other tobacco products (such as cigars or hand rolling tobacco) Excise Duty is charged at a flat rate per kilogram.

Import VAT is charged at the same rate that applies to similar goods sold in the UK and applies to commercial goods over £135 in value, and on gifts that are over £39 in value. However, commercial consignments sent to the IOM from the Channel Islands do not benefit from any relief of Import VAT. The value of the goods for Import VAT is based on the:

- basic value of goods
- postage, packing and insurance
- any import (Customs or Excise) duties charged

As with Customs Duty, the cost of postage is excluded from the calculation for VAT on gifts except where the sender has used the Express Mail Service (EMS) as opposed to a standard mail service.

3.2 Duty charged on used goods

Used goods are still liable to the same duty and VAT charges as new goods. However, this may vary depending on their age and condition.

3.3 Paying customs charges

You will be notified by a letter (Notice of Arrival) that the package has arrived at the Sorting Office. Please pay online using a credit or debit card at <https://services.gov.im/> select the Customs & Excise button, and then select the Postal Charges button. Once payment has been received your package will be released for delivery by the Post Office.

3.4 Pre-payment of import VAT on goods purchased over the Internet

There are special arrangements in place to allow certain overseas traders to charge, collect and pay to HMRC import VAT on goods purchased over the Internet for import into the UK and Isle of Man. These arrangements operate under memoranda of understandings between HMRC and the overseas customs and postal authorities. The countries involved are the Channel Islands, Hong Kong, Singapore and New Zealand. Overseas traders that wish to use the arrangements must be authorised to do so by their local authorities.

Once authorised the foreign businesses are issued with a unique authorisation number, which they must show on the customs declaration or packaging. They will also include the statement that "Import VAT Pre-Paid".

Where these arrangements are used and you are a VAT-registered business purchasing goods for business purposes you should retain the outer wrapper and invoice to support your claim for input tax.

3.5 Do I have to pay a handling fee to the Post Office?

No. Arrangements put in place during 2010 mean that the Post Office no longer collects a handling fee for packages on which customs charges are due.

3.6 Where can I ask about or query a customs charge?

If you have any questions about a particular customs charge you should contact Customs and Excise as soon as possible.

When you write to Customs and Excise you should include as much detail as you can, including the customs charge label, the customs declaration and the part of the wrapper with your address on it. If your claim is about overcharged tax because the declared value of the goods was incorrect, you'll need to supply evidence - for example, an invoice or receipt of purchase to support your claim.

Customs and Excise deal with a number of packages every week and without this information they may not be able to trace your particular package in their records. In the event of a claim, you should retain copies of all wrappings and documents until your claim is settled.

3.7 If your query has not been answered or you have more information

If you think that your query has not been answered satisfactorily, or you have some additional information that may affect an earlier decision, please contact us again to try to resolve the matter.

3.8 Disagreeing with a Customs and Excise decision

If you do not agree with any decision issued to you, there are 3 options available. Within 30 days of the date of the decision you can either:

- send new information or arguments to the customs officer who made the decision
- request a review of the decision by someone not involved in making the disputed decision
- appeal direct to the Tribunal who are independent of Customs and Excise

Your request for a review of the decision must be in writing and should set out the reasons why you do not agree with the decision. Write to: Isle of Man Customs and Excise, PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG.

If you opt to have your case reviewed, you'll still be able to appeal to the tribunal if you disagree with the outcome.

More information about reviews and appeals can be found in the following Notices available on the website:

- Notice Appeal 1 MAN - (Appeals against decisions of Customs and Excise involving indirect tax);
- Notice Appeal 3 MAN - (Making an appeal against a decision of Customs and Excise);
- Compliance Fact Sheet 1 MAN: Isle of Man Customs and Excise decisions - what to do if you disagree.

4. Exports

4.1 Sending a package abroad

When you send a package to any country outside the UK, you must complete and affix a customs declaration (CN22, CN23 or a Parcelforce Worldwide Despatch Pack incorporating the CN23), which you can get from the Isle of Man Post Office. Any necessary preference certificate or licence should be attached to the outside of the package and clearly identified before handing it over for post.

For commercial items that require an export licence or are being exported under a suspensive regime (outward processing relief), a commercial invoice should accompany the package. A sticky label C&E83A named 'Exported by post under Customs Control' should be attached. This directs post office staff to present the parcel to Customs and Excise for checks to be made prior to export.

4.2 Evidence of posting

Please refer to the Post Office website - [Electronic Customs Data effective from 1 January 2021](#)

If you're in business and registered for VAT, you'll need to obtain and retain a certificate of posting (C&E132) to support the VAT zero-rating of your supply, and to discharge your liability to customs charges on goods temporarily imported into the IOM from outside the UK. In addition, if you're a business exporting UK duty paid excise goods, you'll need a certificate of posting on form C&E132 to support a claim for reimbursement of the UK Excise Duty.

You can find more information of the procedures to be followed in Notices 200, 221, 235, 275 and VAT Notice 703.

4.3 Customs controls on goods exported from the IOM to countries outside the UK

Customs officers carry out selective examinations to make sure no prohibited or restricted goods or items relating to the proceeds of crime are being improperly exported.

4.4 Other restrictions on what goods can be sent abroad

Customs and postal administrations throughout the world set certain restrictions on what type of goods can be sent by post. If you have any concerns about sending your goods by post, you should contact the [Post Office](#).

5. Quality of service

5.1 Delays or damage to a package

Although Customs officers can examine the contents of a package, the responsibility for opening, repacking and resealing it is carried out by Isle of Man Post Office, who also deliver it. Therefore, if you have a complaint about delay or damage to your package, you should contact the Isle of Man [Post Office](#).

In cases where Customs and Excise have damaged the contents, an acknowledgement will be provided by enclosing a letter within the package.

6. Extracts from the law

Opening of postal packages

Regulation 17 of the Postal Packets (Customs and Excise) Regulations 2015 (as

amended) gives authority for an officer of Customs and Excise to require the Post Office or a person licensed to convey letters under section 12 of the Post Office Act 1993 to produce any foreign postal packet, to that officer or open it for examination by that officer.

7. Glossary of terms

CN22 and CN23: Customs declaration forms to be used for import and export of postal packets.

Customs duty: Tax charged on imported goods under the UK Global Tariff (UKGT).

Excise duty: Tax charged on certain goods, particularly alcohol and tobacco products.

Gifts: Goods of a non-commercial character sent by a private person to another private person without payment of any kind and intended for personal use only.

Value: Means the price paid or payable for the goods excluding postage and packing and insurance costs.

Import VAT: VAT chargeable on importation.

Package: Includes a letter, parcel, packet or other article transmissible by post.

SAD: Single Administrative Document, the form C88A used for import and export declarations and other customs purposes.

8. Your 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.

Privacy Notice

The Treasury collects information about you in order to administer taxation and carry out other functions for which it is responsible (e.g. National Insurance, customs and excise duties, property rates, social security benefits, state pensions and legal aid etc.), and for the detection and prevention of crime.

Whilst that information will primarily be provided by you, where the law allows we may also get information about you from other organisations, or give information about you to them. This may be to check the accuracy of the information provided, prevent or detect crime or protect public funds in other ways. These organisations may include other government departments, the police and other agencies.

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/>

Amendment Record

January 2021	Notice substantially re-written to reflect EU exit.
15 February 2021	Opening paragraph at 2.3 amended and links to where to obtain further information added.

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