

Isle of Man Customs & Excise

VAT Notes No. 3 of 2014/15

Items of general interest to Isle of Man Traders

Included in this Issue: -

- VAT: Supplies of sporting services by non-profit making bodies
- Place of supply, VAT MOSS
- VAT number validation
- Gambling duty - NEW
- Syrian sanctions
- Export and Trade Controls - NEW
- UN and EU Sanctions – NEW
- Bank details supplied to us for the repayment of VAT
- Payment of VAT by electronic means
- Faster Payments by online or telephone banking
- Financial difficulties
- Online services - NEW
- Making your payment directly to our bank account

VAT: Supplies of sporting services by non-profit making bodies

The implications of the judgment by the European Court in Bridport and West Dorset Golf Club Ltd are detailed in Revenue & Customs Brief 25/14 which may be found at <http://www.hmrc.gov.uk/briefs/vat/brief2514.htm> and will be of interest to Members' golf clubs and other non-profit making sports clubs and their advisors.

The Bridport appeal concerned green fees paid by visitors (non-members) in respect of which existing policy treats any supplies to individuals who are not members as taxable income.

The European Court of Justice (CJEU) found that where a supply is made by a non-profit making body it is immaterial whether it is provided to a member of the body or a visitor.

As a result of the CJEU judgment, HMRC accepts that supplies of sporting services to both members and non-members of non-profit making sports clubs qualify to be treated as exempt from VAT.

Revenue & Customs Brief 25/14 details how Members' clubs that decide to reimburse non-members who were incorrectly charged VAT on sporting services supplied to them may make claims for overpaid VAT.

HMRC are examining the scope for restricting repayments to clubs not making arrangements to reimburse the paying non-members to avoid the unjust enrichment of members' clubs. Further advice will be issued on these claims after a conclusion has been reached on this point.

Bodies eligible to benefit from the exemption arising from the CJEU decision may with immediate effect complete their VAT returns on the basis that qualifying sporting services to non-members are exempt from VAT.

If you have a query for which you are unable to find the answer within Revenue & Customs Brief 25/14, please contact our Advice Centre on 648130 or email customsadvise@gov.im

Place of supply, VAT MOSS

In VAT Notes 1 of 2014, HMRC advised that from 1 January 2015 changes will be made to the VAT place of supply of services rules involving business to consumer supplies of broadcasting, telecommunications and e-services (known as digital services). The changes mean the place of taxation of these supplies will be determined by the location of the consumer who receives the service and not, as it is now, by the location of the supplier of the service.

An optional online Mini One Stop Shop (VAT MOSS) service is being introduced at the same time. This means businesses will not have to register in every European Union state in which they have consumers.

Isle of Man businesses will be able to register to use VAT MOSS from October 2014 and the online service will be available for use from 1 January 2015. However, registration and use will be via the HMRC website for IOM businesses.

You need to be aware of the changes if your business is involved in supplying digital services. For more information, go to <http://www.hmrc.gov.uk/posmoss/index.htm>

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

Gambling duty

There are 3 Statutory Documents before the October sitting of Tynwald which make changes in relation to gambling duty paid by Isle of Man operators.

The Gambling Duty Act 2012 (International Tax Enforcement) Order 2014 is to provide for mutual assistance and mutual recovery of debts involving certain UK gambling duties following the change to a place of consumption basis for such duties in the UK.

The Gambling Duty (Amendment) Regulations 2014 provide for circumstances where an operator accepts stakes, or calculates winnings or prizes in a cryptocurrency.

The Gambling Duty (Amendment of Section 3 of the Gambling Duty Act 2012) Regulations 2014 change the basis of liability where gambling duty is due in respect of pool betting. Following the change to a place of consumption tax basis for pool betting duty in the UK, the amendment made means that pool betting by customers located in the UK or Isle of Man is subject to the higher rate of 15%, whilst that involving customers located elsewhere is liable to the standard rates of duty.

Syrian sanctions

The Treasury is publishing a news release advising that, as of 8 August 2014, there is a new offence under export control laws for involvement in the illegal removal of cultural artefacts from Syria.

Export and Trade Controls

The Treasury has made an Order which applies in Island law the Export Control (Russia, Crimea and Sevastopol Sanctions) Order 2014 (SI 2014 No. 2357; "the applied Order"). The applied Order provides for the enforcement in Island law of certain trade and investment restrictions against Russia, and the annexed territory of Crimea and Sevastopol, contained in Council Regulation (EU) No. 833/2014. The restrictions took effect from 26 September 2014. For more information see Sanctions Notice 41 (Ukraine) on the [Customs and Excise](#) webpages.

UN and EU Sanctions

Financial institutions and other persons are reminded that financial and other measures may be taken against specified persons, entities and bodies under United Nations or European Union sanctions. Further information about any prohibitions and restrictions involved may be found on the [website](#).

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

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 7th calendar day, allowing for weekends and bank holidays.

For example, if the 7th 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 7th 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

Customs and Excise Division are celebrating 7 years since the launch of its online services in September 2007.

They are proud to announce they have received 105,551 VAT returns online. Currently 74% of the VAT returns are being received online; and 77% of the data being received from EC Sales returns are online. Benefits from using this service are: convenience, ease of use, secure, free to use, quick, flexible, ability to act on behalf of others, view your historical information submitted, and make payments by debit card, credit card and credit transfer.

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 further details of how to enrol, visit the '[online services](#)' page on our website. To obtain an activation code, or to discuss any online services, call 01624 648103 or 648104.

Making your payment directly to our bank account

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.

Contacting Isle of Man Customs & Excise

| Unit | Phone | Email |
|----------------------------|--------------|--|
| VAT Advice | 648130 | customsadv@gov.im |
| VAT Registration | 648120 | |
| VAT Deregistration | 648150 | |
| Excise & Customs Advice | 648140 | |
| Debt Management | 648160 | |
| Assurance Visiting Teams | 648170 | Assurance.Customs@gov.im |
| Support Services | 648180 | SupportServices.Customs@gov.im |
| Customer Relationship Unit | 648190 | cru.customs@gov.im |
| General Enquiries | 648100 | customs@gov.im |
| Online Services | 648103 | customsonline@gov.im |
| Anti Smuggling | 648110 | |
| Customs Hotline | 0800 59 5000 | |

Fax

661725

Web page

www.gov.im/customs

Address

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