

# Isle of Man Customs & Excise

## VAT Notes No. 2 of 2015/16

### Items of general interest to Isle of Man Traders

Included in this Issue: -

- Do you need to get recognition from HMRC for your Charity? – NEW
- VAT on road fuel scale charges - NEW
- Ceased to trade or make taxable supplies? - NEW
- Sanctions and export control – NEW
- Import controls in the Isle of Man – NEW
- Customs and Excise regulations - NEW
- VAT number validation
- UN and EU Sanctions
- 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

#### **Do you need to get recognition from HMRC for your Charity?**

Isle of Man registered charities wishing to obtain VAT relief (zero-rating) on the purchase of eligible supplies from suppliers registered for VAT in the United Kingdom must first obtain a “Charity Recognition Number” by applying to HMRC (please note that this does not apply when the supplier is VAT registered in the Isle of Man).

You can find out more regards ‘VAT reliefs and charities’ by viewing the VAT Charities Manual (VCHAR) at [www.hmrc.gov.uk/manuals/vcharmanual/index.htm](http://www.hmrc.gov.uk/manuals/vcharmanual/index.htm)

You can apply to HMRC for a Charity Recognition Number via the gov.uk website at <https://www.gov.uk/charity-recognition-hmrc>

#### **VAT on road fuel scale charges**

Changes to the VAT fuel scale charge rates based on emissions take effect from 1 May 2015. Anyone completing a VAT return for a period commencing on or after 1 May 2015 should apply these new rates where applicable. The revised rates are available on our website at <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/fuel-scale-charges/>. The VAT fuel scale charge is a simplified means of taxing the private use of business fuel.

#### **Ceased to trade or make taxable supplies?**

You must inform Isle of Man Customs and Excise in writing within 30 days, that your circumstances have changed and that your registration should be cancelled.

If you do not let us know about any changes affecting your registration details within 30 days of them happening, you may become liable to a financial penalty.

Further guidance on applying to cancel your VAT registration may be found on our website at <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/deregistering-for-vat-in-the-isle-of-man/>

#### **Sanctions and export control**

- With effect from 8 July 2015, any exporter wishing to apply for either a Standard Individual Export Licence (SIEL) or a Standard Individual Trade Control Licence (SITCL) will be required to provide additional information identifying if the intended recipient of the goods involved is either a consignee or an end-user. See [website](#) for more information in Notices 279 MAN and 279T MAN.
- With effect from 1 June 2015, the definition of “cash” that must be declared when brought into, or taken out of, the Island has changed. From that date, cash in the form of a “stored value card” where the value is stored on the card itself, or cash in the form of some other document, device, coin or token with a monetary value that can be used as, or exchanged for, cash counts towards the €10,000 threshold for declarations. For more information see Notice 9011 MAN on the Customs and Excise [website](#).

- From 1 June 2015, the Control of Explosives Precursors Regulations 2014 have been given partial effect in the Island. The Regulations make it an offence to supply certain chemicals that can be used to manufacture explosives to a member of the general public outside the Island who does not hold the appropriate licence. They also require a supplier to report to Customs and Excise any suspicious transactions, disappearances or theft of those chemicals.

### **Import controls in the Isle of Man**

From 1 April 2015, the legislation and rules concerning the enforcement of intellectual property (IP) rights by Customs and Excise changed, bringing them into line with that found in the UK and the rest of the EU. The legislation implements EU Regulation 608/2013 in the Island and permits, for example, the recognition of EU-wide applications to take action against goods infringing an IP right. For more information see Notice 34A (MAN) on the Customs and Excise [website](#).

### **Customs and Excise regulations**

- New regulations governing the supply and use of duty-free stores on a ship or aircraft came into operation on 1 April 2015.
- On 1 April 2015, new regulations came into operation that allow for the use of a new chemical marker ("the common United Kingdom fiscal marker") to be used in rebated oils, and to also increase the concentration of red dye marker added to certain oils (such as "red diesel").

For more information please contact our Excise & Customs Advice Unit below.

### **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](http://ec.europa.eu/taxation_customs/vies/vatRequest.html)

### **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 7<sup>th</sup> calendar day, allowing for weekends and bank holidays.

For example, if the 7<sup>th</sup> 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 7<sup>th</sup> 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

You can submit your VAT Return, EC Sales List and make a payment online. You can also view your previously submitted VAT Return details. To use online services you should register with IOM Government Portal <https://www.gov.im/online-services/> to create your own ID and Password. Then once registered, select Customs and Excise to enrol for the service.

It is our normal practice to issue activation codes to enrol to use the online service, to all newly VAT registered businesses. However, if these have been lost, or have expired, a new activation code can be obtained by contacting Customs and Excise on 01624 648103 or 648104, or email to [customsonline@gov.im](mailto:customsonline@gov.im) for this and any other online queries. For further details of how to enrol, visit the online services page on our website <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/registering-for-online-services/>

### 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	<a href="mailto:customsadv@gov.im">customsadv@gov.im</a>
VAT Registration	648120	
VAT Deregistration	648150	
Excise & Customs Advice	648140	
Debt Management	648160	
Assurance Visiting Teams	648170	<a href="mailto:Assurance.Customs@gov.im">Assurance.Customs@gov.im</a>
Support Services	648180	<a href="mailto:SupportServices.Customs@gov.im">SupportServices.Customs@gov.im</a>
Customer Relationship Unit	648190	<a href="mailto:cru.customs@gov.im">cru.customs@gov.im</a>
General Enquiries	648100	<a href="mailto:customs@gov.im">customs@gov.im</a>
Online Services	648103	<a href="mailto:customsonline@gov.im">customsonline@gov.im</a>
Anti Smuggling	648110	
Customs Hotline	0800 59 5000	

Fax 661725  
Web page [www.gov.im/customs](http://www.gov.im/customs)  
Address PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG