

# Isle of Man Customs & Excise

## VAT Notes No. 4 of 2016/17

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

Included in this Issue:-

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#### **Raw Tobacco Approval Scheme**

Subject to Tynwald approval, from 1 April 2017 anyone who carries out any activity involving the handling of raw tobacco in the Island must be approved by the Treasury, unless an exemption applies.

To check if you should be approved and for more information please refer to Notice 2003: Tobacco Duty – the Raw Tobacco Approval Scheme on the HMRC website:

<https://www.gov.uk/government/publications/excise-notice-2003-tobacco-duty-the-raw-tobacco-approval-scheme/excise-notice-2003-tobacco-duty-the-raw-tobacco-approval-scheme>

Please note that applications for approval in the Isle of Man should be submitted to Customs and Excise, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG.

#### **Alcohol Wholesaler Registration Scheme (AWRS)**

Anyone who sells, or arranges the sale, of alcohol to other businesses at or after the point at which excise duty becomes due will need to apply to register for this scheme. To check if you should apply and for more information please refer to Notice 2001 MAN Alcohol Wholesaler Registration Scheme (AWRS) on our website at <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/public-notices/> under the heading Excise. There are flow charts to help you decide if you need to apply.

#### Important changes from 1 April 2017

If you buy alcohol from an IOM or UK supplier to sell to the public, you'll need to check that the business you buy from has registered and has an AWRS unique reference number (URN). HMRC will provide an online look-up service of approved wholesalers for you to check. We may fine you and seize your stock if you buy from an unapproved supplier.

Before April 2017, you should ask your suppliers if they've applied to Treasury or HMRC for approval. Encourage them to apply if they haven't done so. You don't need to ask for their AWRS URN. You just need to know they've applied.

The above changes are covered in more detail in Notice 2001 MAN on our [website](#).

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

Customs and Excise would remind businesses that any suspicions of financial crime, including money laundering, terrorist financing and proliferation financing, should be reported to the Financial Intelligence Unit (FIU). This would also include

actual or attempted transactions that may be connected to UN or EU financial sanctions, as well as details of any accounts blocked or assets frozen due to such sanctions.

Customs and Excise remains responsible for the administration and enforcement of sanctions legislation, and any enquiries or requests for advice should be directed to its Sanctions Officer. You must also report any blocked accounts or frozen assets to the Sanctions Officer.

For more information please contact the Sanctions Officer at [customs@gov.im](mailto:customs@gov.im) and for more information about sanctions in general please see [website](#).

### **Current Sanctions Regimes**

Guidance on how businesses should deal with “false positives” – where sanctions screening provides a “hit” that, after further checks, is revealed not to be the real sanctions target – has been made available in Sanctions Notice 26 (which provides general information about sanctions regimes) and is available on the Customs and Excise website at <https://www.gov.im/media/1347460/sanctions-notice-26-financial-sanctions-regimes-13-jan-17.pdf>

### **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](#).

### **Cash Declarations**

Persons taking or sending large sums of cash to or from the Island are reminded that they must declare it to Customs and Excise if it amounts to €10,000 or more, (or the equivalent amount in another currency). Failure to do so could result in a penalty being imposed and the cash being seized. Copies of [Notice 9011 MAN](#) and [form C9011 MAN](#) are available on the website, or from Custom House, Sea Terminal and the Airport. A News Release reminder has also been issued at <https://www.gov.im/news/2016/apr/12/reminder-of-the-need-to-declare-large-sums-of-cash/>

### **Trade-Based Money Laundering (TBML)**

TBML may be seen as the process of disguising the proceeds of crime and/or moving its value using the cover of real or concocted trade transactions, so as to legitimise the illicit origins of the proceeds. Notice 1000 MAN provides a general overview of the risks and challenges associated with TBML and what might be done to prevent and combat it and is available on our website at <https://www.gov.im/media/1348726/notice-1000-man-trade-based-money-laundering-updated-2-mar-16.pdf>. The slides from a presentation given by Customs and Excise to the ACSP are now available on the website <https://www.gov.im/media/1351863/acsp-tbml-presentation-june-2016-final.pdf>

### **Do the Requirements of Anti-Money Laundering Law Apply to my Business?**

All designated businesses, and those that accept cash payments of €15,000 or more (or the equivalent in any currency), are required to comply with the legislation concerned with the prevention of money laundering. [Factsheet 100 MAN](#) is available on our website to help you identify if this applies to your business and what you must do.

### **Proliferation and Proliferation Financing Risks**

In September 2016, Customs and Excise published Notice 1008 MAN on proliferation and proliferation financing. This provides guidance to business on the risks and how they may be countered. This is available on the website at <https://www.gov.im/media/1352777/notice-1008-man-proliferation-and-proliferation-financing-risks-14-nov-16.pdf>

### **Businesses with establishments in both the IOM and UK – production of records**

Businesses are reminded that if they are registered for VAT in the Isle of Man, they should be prepared to make their records available for inspection in the IOM, by an officer of IOM Customs and Excise.

Visiting IOM Customs and Excise officers may not be satisfied that your business is registered in the correct jurisdiction if you are unable to produce the records requested for inspection, and may instead direct the business to register for VAT in the jurisdiction where the principal place of business is located.

Factsheets concerning visits by Customs and Excise officers are available on our [website](#).

### **Intrastat – Thresholds from 1 January 2017**

There will be no change to the arrivals, dispatches exemption and delivery terms thresholds for 2017. Therefore for 2017 the exemption thresholds are:

- £1,500,000 for arrivals;

- £250,000 for dispatches.

The delivery terms threshold remains at £24,000,000.

**However, the low value consignment threshold (see paragraph 20.1 of Notice 60 Intrastat General Guide) increased from £150 to £175 from 1 January 2017.**

Notice 60 is available on the HMRC website at <https://www.gov.uk/government/publications/notice-60-intrastat-general-guide>

### **Freedom of Information**

On 1 January 2017 the Freedom of Information Act 2015 became operational within the Treasury Department which includes the Customs & Excise Division.

More information about the purpose of the Act and how requests can be made is available on <https://www.gov.im/about-the-government/freedom-of-information>

### **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)

### **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/onlineservices/> 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 when using the credit transfer payment option

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:customsadvic@gov.im">customsadvic@gov.im</a>                       |
| VAT Registration           | 648120       |  |
| VAT Deregistration         | 648150       |  |
| Excise & Customs Advice    | 648140       |  |
| Debt Management            | 648160       | <a href="mailto:dmu.customs@gov.im">dmu.customs@gov.im</a>                         |
| 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 |  |
| Sanctions & Export Control | 648138       | <a href="mailto:customs@gov.im">customs@gov.im</a>                                 |

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  
Customs and Excise feedback [form](#)