

## 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.

For further details of how to enrol, visit the following web page <http://www.gov.im/treasury/customs/online.xml> To obtain an activation code or to discuss any online services, call 01624 648103 or 648104.

## Online services and paper returns

Anyone who enrolls to use our online returns services will no longer, by default, receive paper returns. Almost half of people who now send their returns in online have already chosen not to receive paper returns. If you submit your returns online and no longer wish to receive a paper VAT return or European Community Sales Lists then you can turn this option off or on using the Administrator option on your online account.

## Online EC Sales List service

A new online EC Sales List service was launched by IOM Customs and Excise on 30 June 2010. This service is automatically available to anyone enrolling, or who has already enrolled for the VAT service. The due date for submitting the EC Sales List is 21 days from the end of the period if submitting electronically, but only 14 days if submitting a paper form.

## Online VAT Services - VAT Notes Online

Both IOM and HMRC VAT Notes can be viewed online, this includes historic ones.

The addresses are:

For IOM VAT Notes: [http://www.gov.im/treasury/customs/notices/vat\\_notes.xml](http://www.gov.im/treasury/customs/notices/vat_notes.xml)

For HMRC VAT Notes: <http://www.hmrc.gov.uk/vat/forms-rates/guidance-news.htm>

## Excise Movement Control System

On 1 April 2010 a new computer system came into use for movements of excise goods around Europe, replacing the paper Administrative Accompanying Document (AAD) system. The Excise Movement Control System (EMCS) will be used to control the movement of goods liable to excise duty (such as alcoholic beverages, tobacco products and mineral oils) between Member States of the European Union and between premises which hold such goods under duty suspension. Businesses involved in the movement of excise goods are required to register with Customs and Excise. Further details may be obtained from the Advice Centre on 648140 or by

visiting the website <http://www.gov.im/treasury/customs/ViewNews.gov?menuid=&page=lib/news/treasury/customs/excisemovementco.xml>

## Cessation of prepaid envelopes

From 1 March 2011 we no longer provide prepaid envelopes for the submission of VAT returns and EC Sales Lists (ESLs). As an alternative to paper VAT returns and ESLs you may wish to consider our popular online service, further details of which can be found on our website at <http://www.gov.im/treasury/customs/online.xml>

## VAT Enquiries

When contacting us by telephone you will be asked to supply your VAT registration no. so please remember to have it ready prior to contacting us and quote it in all your written correspondence by letter and e-mail. This helps us to provide the best possible service when dealing with your enquiry.

## Office hours

Our Advice Centre is open Mon-Fri 08:30 to 16:30 hours should you wish to visit us in person. If you prefer to contact us by telephone or e-mail, these same hours provide the best opportunity for us to deal with your enquiry efficiently. Outside of these hours, we cannot guarantee that the right person will be available to answer your call or query immediately and it may therefore be deferred until the next working day.

## Contacting Isle of Man Customs & Excise

Unit	Phone	Email
VAT Advice	648130	
VAT Registration	648120	
VAT Deregistration	648150	
Excise & Customs Advice	648140	
Debt Management	648160	
Assurance Visiting Teams	648170	
Support Services	648180	
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		<a href="http://www.gov.im/treasury/customs">www.gov.im/treasury/customs</a>
Address	PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG	



Isle of Man  
Government  
*Reiljys Eilan Vannin*

## Isle of Man Customs & Excise

## VAT Notes

### Items of general interest to Isle of Man Traders No 2 of 2011/2012 included:-

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- Financial & trade sanctions
- VAT - Flat Rate Scheme for Small Traders
- VAT payment on account threshold changes
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### A Division of the Isle of Man Treasury

## Budget at a glance

### VAT: Increased registration & deregistration thresholds

With effect from 1 April 2011 the annual taxable turnover threshold (on a rolling 12-month basis), which determines whether a person must be registered for VAT, was increased from £70,000 to £73,000. The taxable turnover threshold which determines whether a person may apply for deregistration was increased from £68,000 to £71,000.

### VAT: Fuel scale charges

Changes to the VAT fuel scale charge rates based on emissions took effect from 1 May 2011. Anyone completing a VAT return for a period commencing on or after 1 May 2011 should apply these new rates where applicable. The revised rates are available on our website at <http://www.gov.im/treasury/customs/faqs/>. The VAT fuel scale charge is a simplified means of taxing the private use of business fuel.

### Excise: Alcohol duty rates

Legislation was introduced to increase the duty rates for all alcoholic drinks by 2 per cent above the rate of inflation (based on RPI) on 28 March 2011 as announced in the March 2010 Budget. This has added 4 pence to the price of a pint of beer, 15 pence to the price of a bottle of wine, and 54 pence to the price of a bottle of spirits.

### Excise: Tobacco duty rates

Legislation was introduced to increase tobacco duty rates by two per cent above the rate of inflation (based on RPI) as announced in the March 2010 Budget. Budget 2011 announced that duty on hand rolling tobacco was to increase by an additional 10 per cent. These changes came into effect from 6 pm on 23 March 2011.

The duty on cigarettes has been restructured to decrease the proportion of the duty based on the product price and increase the proportion of the duty based on quantity. Although the tax paid on cheaper cigarettes will still be lower the difference between cheaper cigarettes and premium cigarettes will be smaller.

### Excise: Hydrocarbon oil duty rates

The main duty rates for road fuels have been reduced by 1 penny per litre from 6 pm on 23 March 2011. The duty rates on other oils and gases used as road fuel reduced by lesser amounts.

## Financial & trade sanctions

Please note that financial and trade sanctions, including export controls, are now in place against Libya.

Other new financial sanctions regimes have been introduced in respect of members of the former regimes in Tunisia and Egypt.

There are also requirements to report transfers to or from Iranians, Iranian entities or persons in Iran if exceeding €10,000; and to seek prior approval for transfers of €40,000 or more.

For more details of these and other sanctions measures please see the website at <http://www.gov.im/treasury/customs/sanctions.xml>

### **VAT - Flat rate scheme for small traders**

As a result of the increase in the standard VAT rate from 4 January 2011, the thresholds and percentages which apply to traders using the VAT - Flat Rate Scheme also changed. Further details can again be found on the HMRC website or are available from the IOM Customs and Excise Advice Centre on 648130. All traders using the scheme should ensure that they apply the amended percentage applicable to their business sector from the 4 January 2011.

### **VAT payment on account threshold changes**

The thresholds which determine whether a business is liable to make, or stop making, VAT payments on account increased on 1 June 2011. Currently if you have an annual VAT liability of £2 million or more you must make interim payments on account at the end of the second and third months of each VAT quarter. You must include a balancing payment for the quarter (the quarterly liability less the payments on account made) with your VAT return. The level of interim payments that apply for one year is based on your VAT liability in the previous year. If your annual liability currently falls below £1.6 million you can apply to stop making payments on account. These thresholds will be increased from £1.6m and £2m to £1.8m and £2.3m to reflect the increase on 4 January 2011 of the standard rate of VAT. As appropriate, the thresholds will be increased on 1 June 2011 for the in-year threshold above which a person becomes liable to make payments on account, for the threshold below which a person ceases to be liable to make payments on account and on 1 December 2011 for annual reviews.

### **Rendering a VAT return showing a repayment to you?**

Please remember to enclose documents/invoices in support of the repayment, particularly if you do not normally receive repayments of VAT or if the repayment is unusually high. This will assist us with the verification process and enable us to make your repayment more quickly.

## Payment of VAT by electronic means

Traders who pay their VAT liability electronically (e.g. BACS, CHAPS or Bank Giro Credit Transfer) are reminded that they have an extra 7 calendar days to submit their return and payment.

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 by the 5<sup>th</sup> 'working' day. Also please remember to quote your VAT number as a reference for the payment, so that it can be correctly allocated to your VAT account. Any payments received after the 7<sup>th</sup> calendar day are late payments and may be subject to default surcharge.

For further advice and guidance please contact our Debt Management Unit on 648160. A Notice entitled 'Electronic Payments' is also available on our website at <http://www.gov.im/treasury/customs/notices/>

### **Making your payment directly to our bank account**

If you are using the Customs & Excise 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 of the best electronic means available to you.

Please be aware that many Government revenue 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.

### **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 change to these details which may affect repayments to you, in order to avoid unnecessary delay.