

# Isle of Man Customs & Excise

## VAT Notes No. 4 of 2014/15

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

Included in this Issue:-

- VAT: Prompt Payment Discounts (PPD) – NEW
- Notice 60: Intrastat general guide – updated 1 January 2015 - NEW
- Register for the VAT Mini One Stop Shop now - NEW
- VAT number validation
- Gambling duty
- Syrian sanctions
- Export and Trade Controls
- 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

#### **VAT: Prompt Payment Discounts (PPD)**

PPD is an offer by a supplier to their customer of a reduction in the price of goods and/or services supplied if the customer pays promptly; that is, after an invoice has been issued and before full payment is due. For example, a business may offer a discount of 5% of the full price if payment is made within 14 days of the date of the invoice.

PPD VAT legislation was amended earlier in 2014. The change took effect on 1 May 2014 for supplies of broadcasting and telecommunication services where there was no obligation to provide a VAT invoice. For all other supplies the change takes effect on 1 April 2015. After the change, suppliers must account for VAT on the amount they actually receive and customers may recover the amount of VAT that is actually paid to the supplier.

Revenue & Customs Brief 49 provides guidance on what to do when you raise or receive a VAT invoice offering a PPD from 1 April 2015 when the change takes effect, including an alternative VAT invoice procedure to raising credit or debit notes <https://www.gov.uk/government/publications/revenue-and-customs-brief-49-2014-vat-prompt-payment-discounts/revenue-and-customs-brief-49-2014-vat-prompt-payment-discounts>

#### **Notice 60: Intrastat general guide – updated 1 January 2015**

The Intrastat Arrivals Exemption threshold has been increased from £1.2 million to £1.5 million from 1 January 2015.

If you supply goods to vessels or aircraft visiting a UK port or airport that belong to economic owners established in another EU Member State, you must now use the simplified country code 'QR' when the goods are for the consumption of the crew and passengers or for the operation of the vessel.

Further details of these changes may be found in the updated Notice 60: Intrastat general guide available on the HM Revenue & Customs website at <https://www.gov.uk/government/publications/notice-60-intrastat-general-guide>

#### **Register for the VAT Mini One Stop Shop now**

Businesses can now register for the VAT Mini One Stop Shop (VAT MOSS) online service. A VAT MOSS registration will save businesses supplying digital services to consumers from having to register for VAT in every EU Member State where they supply these services. Businesses must register themselves, but can then authorise an agent to act on their behalf. Registration and use will be via the HMRC website for IOM businesses. The first VAT MOSS return will cover the period 1 January to 31 March 2015. The return will be available for completion, online, from 1 April 2015 and needs to be filed and paid by 20 April 2015. Businesses should state planning for these changes now as they come into effect on 1 January 2015. Businesses will need to keep records about the digital services they supply and where their customers are located. This information will be needed to complete their VAT MOSS returns.

To find out more about the changes and what you need to do, go to <https://www.gov.uk/vat-on-digital-services-in-the-eu>

### **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)

### **Gambling duty**

There were 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 has published 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 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 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.

The online services continue to grow in popularity; with approximately 70% of all VAT returns now being submitted online this year. Similarly, the online service for submitting EC Sales Lists is being used extensively, with approximately 80% of data being submitted online rather than through traditional paper methods. Please note, the due date for submitting EC Sales Lists is 21 days from the end of the period if submitting electronically, but only 14 days if submitting in paper form.

### **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