

VAT deferrals for Isle of Man registered businesses

What has been announced?

- The Isle of Man Government is allowing businesses to defer the making of VAT payments to help support businesses with their cash flows.
- VAT payments due to the Treasury between now and the end of June 2020 will be deferred. No business will have to make a VAT payment to the Isle of Man Treasury, Customs & Excise Division (IOMC&E) in that period.

Q&A:

What is the change to VAT payments?

If you have a VAT payment due between 23rd March and 30th June, you have the option to defer that payment until a later date. The deferred payment must be made before 31 March 2021.

Do I have to submit a VAT return?

Yes, you will still have to submit your VAT return as normal. It is recommended that businesses submit their VAT returns online. Please contact IOMC&E on 01624 648130 or email customsonline@gov.im to request this facility.

Can I still make a VAT payment at my usual time?

Yes. The policy to allow deferment of VAT payments is optional.

Why is the Isle of Man Government announcing this measure?

This measure is intended to give immediate support to businesses by keeping cash at their disposal during this extraordinary time of uncertainty.

Will I be charged interest and or receive a default surcharge for late payment on the deferred VAT payment?

No, not if the payment has been deferred as a result of this announcement.

Do I need to inform IOMC&E of my intention to defer a VAT payment?

No.

My business needs more help than this, what other help is available?

IOMC&E's Time to Pay facility is still available. IOMC&E can be contacted on the helpline 01624 648160 or email DMU.Customs@gov.im for those who cannot pay because of the coronavirus.

What about VAT payments on account?

Payments on account due between 20th March and 30th June can also be deferred.

What about VAT annual accounting payments?

Annual accounting payments due between 20th March and 30th June can also be deferred.

I'm on cash accounting for VAT – can I still defer payment?

Yes, these payments can also be deferred.

What will happen to VAT reclaims and refunds?

The Isle of Man Government will continue to pay VAT refunds and claims for VAT as normal. It is recommended that businesses have VAT refunds paid directly to their bank account to avoid any possible delays. If you do not currently receive VAT refunds direct to your bank account and you wish to please act now as such requests are subject to a validation waiting period. Please contact IOMC&E on 01624 648130 or email customs@gov.im.