

Isle of Man Customs and Excise

Compliance Checks – Suspending penalties for careless inaccuracies in returns or documents

This factsheet tells you what happens when we are considering whether to suspend penalties for careless inaccuracies in returns or documents.

When we can suspend a penalty

We can only suspend penalties for careless inaccuracies in returns or documents if we:

- can set conditions to help you avoid penalties for similar inaccuracies in the future, and
- believe that you can meet these conditions.

If we suspend a penalty, you will not have to pay it if you satisfy us that you have met the conditions at the end of the suspension period and you have not incurred another penalty within the suspension period.

When we cannot or will not suspend a penalty

We cannot suspend penalties for deliberate or deliberate and concealed inaccuracies.

We will not suspend penalties for careless inaccuracies if:

- we cannot set specific conditions to help you avoid similar inaccuracies in the future, or
- past behaviour indicates that it is unlikely you will comply with the suspension conditions, or
- the penalty arises from an attempt to use an avoidance scheme.

If we decide not to suspend a penalty, you can appeal against our decision.

For more information about this, please read the section 'What to do if you disagree' on page 2.

What you need to do before we suspend a penalty

Before we suspend a penalty, you will need to agree conditions with us. It is important that:

- you understand the conditions
- you can meet the conditions
- the conditions reflect the size of the inaccuracy
- the conditions take your circumstances into account
- it will be clear to both you and us when you have met the conditions.

As well as agreeing specific conditions to help you avoid similar inaccuracies

If you need help

If you have any questions, please contact us. You can also look for the information you need on our website, <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/>

Authorising a representative

You can authorise someone to deal with us on your behalf. This includes professional tax advisers, friends or relatives. They can deal with us just for a compliance check or more permanently for your day to day tax affairs.

If you want to authorise a professional tax adviser, they will be able to give you a form to complete and send to us. If you want to authorise someone other than a professional tax adviser, you will need to write to tell us who you want to authorise and what you want them to deal with for you.

What if you are unhappy with our service

If you are unhappy with our service, please tell the person or office you have been dealing with. They will try to put things right. If you are still unhappy, they will tell you how to complain.

This factsheet relates to compliance checks into any of the following:

Air Passenger Duty
Alcoholic Liquor Duties
Excise Duties (Holding and Movements)
General Betting Duty
Hydrocarbon Oils Duty
Lottery Duty
Online Gambling Duty
Pool Betting Duty
VAT

This factsheet is one of a series:

For the full list of factsheets in the Compliance checks series, and factsheet IOMC&E1 *IOM Customs & Excise Decisions – what to do if you disagree*, go to <http://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/public-notice/visits-by-customs-and-excise-officers/>

in the future, **you will also have to agree to meet all your payment, notification and filing obligations.**

Please think carefully about whether you can meet the conditions before you agree them.

If you have an adviser, you can also ask them for help. After you have agreed conditions with us, we will send you a notice of suspension. This will show the conditions and the suspension period.

How we determine the length of the suspension period

The length of the suspension period will depend on how long it will take you to meet the specific suspension conditions. The maximum suspension period allowed by law is two years but normally it would be less than this.

What you need to do during the suspension period

During the suspension period, you must meet the conditions that you have agreed to. You must also make sure that you do not send any other inaccurate returns during the period, as this may make you liable to another inaccuracy penalty. **If you incur another inaccuracy penalty during the suspension period, you will have to pay the previously suspended penalty.**

What happens at the end of the suspension period

At the end of the suspension period, we will ask you whether you have met the conditions. We may need to check your records and ask for other evidence, to make sure that you have met them. If we agree that you have met the conditions, we will cancel the penalty. If we decide that you have not met the conditions, you will have to pay the penalty. You cannot appeal against this decision. However, you can apply for judicial review of our decision. But this can be expensive, so you should seek legal advice first.

What to do if you disagree

If you disagree with anything during the check please tell the officer dealing with the check what you disagree with and why.

You can appeal against most of the decisions that we make. We will write and tell you when we make a decision that you can appeal against. We will also explain the decision and tell you what to do if you disagree. You will usually have three options.

Within 30 days you can:

- send new information or arguments to the officer you have been dealing with
- have your case reviewed by an IOM Customs & Excise officer who has not been involved in the check
- arrange for your case to be heard by an independent tribunal.

You can find more about this in factsheet IOMC&E1 *IOM Customs & Excise decisions – what to do if you disagree*. Details of how you can get a copy are in the right hand panel of this factsheet.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

Your principal rights and obligations

- You have the right to be represented. You can appoint anyone to act on your behalf. This includes professional advisers, friends, relatives and so on.
- You have the right to consult your adviser. We will allow a reasonable amount of time for you to do so.
- We will protect information we obtain, receive or hold about you.
- We can only ask you for what is reasonable for us to carry out our check. What is reasonable will depend on the circumstances of the check.
- You have the right to complain if you believe that we have not treated you fairly.
- You have an obligation to take care to get things right.
- If you have an adviser, you must still take reasonable care to make sure that any returns, documents or details they send us on your behalf are correct.