

# VAT EU Refunds for Isle of Man Traders

From 1 January 2010 all claims for recovery of input tax incurred by way of business in other EU Member States will be managed by a new online system, available on Her Majesty's Revenue and Customs web site at <https://online.hmrc.gov.uk/>

Businesses established in the UK and the Isle of Man should submit claims for VAT incurred in other EU countries through this system, rather than direct to the Member State of Refund as at present.

To use this system a VAT registered trader will first have to register to use HMRC's online services and then enrol to use this new service at <http://online.hmrc.gov.uk/registration>

To enrol you will need 5 pieces of information to ensure validity of the application.

VAT Number:

Principal Place of Business Post Code

EDR (effective date of registration)

Final month of last VAT return submitted

Box 5 figure on last VAT Return submitted

This data will be verified against data held on the relevant UK based systems. For Isle of Man traders however, not all of this information is held, including details of VAT Returns. As a result, Isle of Man traders will first have to contact Isle of Man Customs and Excise so that some details can be entered onto the relevant system. IOM Customs will then reply in writing providing the 5 pieces of information that will be required to be input when enrolling.

## Agent authorisation for VAT EU refunds

From 1 December UK based traders will be able to register and enrol to use the new HMRC VAT EU Refunds for Agents service and set up authorisations online to act on behalf of your clients (1 January 2010 for Agents residing in the Isle of Man). Agents will be able to submit refund claims online on or after 1 January 2010.

To set up client authorisations using the Online Agent Authorisation process, you'll need to sign up for the VAT EU Refunds for Agents service. If you are already using HMRC's online services, you can add VAT EU Refunds for Agents to your portfolio in the 'Services you can add' section of 'Your HMRC services'. Agents new to HMRC's online services need to register for the VAT EU Refunds for Agents service by visiting [www.online.hmrc.gov.uk](http://www.online.hmrc.gov.uk) Click on 'Register' under the 'New user' section and then select the 'Agent' option and follow the on-screen instructions.

You can use the service even if you aren't VAT registered in the UK. You should request a VAT agents reference number by following the link within the 'What you will need to enrol' page during the registration and enrolment process.

### Registration and enrolment process

Once you have your VAT agent reference number (this will be displayed on screen) you can continue to sign up for the VAT EU Refunds for Agents service.

The registration process only takes a few minutes to complete. You'll have to:

- provide a few details about yourself
- create a password
- make a note of your User ID - this will appear on screen and HMRC will confirm it by post within seven days

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You will receive an activation code (also known as PIN) by post within seven days of registering. You must use it to activate the service within 28 days from the date on the letter.

After you've done this you'll be able to set up client authorisations online to be able to submit your client's refund claims online using the VAT EU Refunds service.

To complete the agent authorisation process for Isle of Man based clients, you'll need the 5 pieces of information provide by Isle of Man Customs and Excise to your clients:

- VAT registration number
- principal place of business postcode
- effective date of registration for
- final month of the last VAT Return submitted
- the box 5 figure on the last VAT Return submitted

Once you have requested online authorisation, HMRC will send your client a letter containing a unique authorisation code. The two letters in front of the code show which service it's for - the code for VAT includes the letters 'VR'.

It's important to let your client know they'll be receiving this letter and that they'll need to tell you the code. Your client must do this quickly as the code expires 30 days after HMRC issues it. To complete the authorisation process, you need to access your online agent's account and enter the code. New VAT EU Refund clients will appear on your client list within 24 hours of completing the authorisation process.