

THE ISLE OF MAN AND INTERNATIONAL TRADE



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The European Union (EU) operates a system of customs duties and regimes that are common across the Customs Union. Goods arriving by sea or air at an EU port must clear Customs and pay any duties/taxes due. Businesses have to arrange for the declarations and payments to be made whilst Customs Authorities formally clear the goods into 'free circulation' to the EU. Alternatively, with Customs approval, goods may be entered, held or processed under a variety of duty/tax suspension regimes.

The Isle of Man (IOM), by virtue of its unique Customs and Excise Agreement with the United Kingdom (UK), is treated as part of the UK and EU for Customs, Excise and VAT purposes.

This means Isle of Man Customs and Excise can offer through its Entry Processing Unit (EPU), the ability for importers, exporters and their agents to electronically declare goods imported from or exported to non EU countries from or to the IOM/UK. The Customs Handling of Import and Export Freight (CHIEF) computer system allows importers, exporters or agents to obtain system generated customs clearance without the need for the goods to physically travel to the Isle of Man.

Isle of Man Customs and Excise's Premium Service Standards

Isle of Man Customs and Excise:

- Offer the services of a Client Relationship Manager through its Customer Relationship Unit to assist new large businesses with their customs, excise and VAT obligations.
- Aim to provide a VAT registration within 7 working days. Where all the appropriate documentation is in order, this can be a much shorter period, especially where assistance has been provided by the Customer Relationship Unit.
- Provide an EORI number and an Isle of Man Duty Deferment Account as part of the VAT registration process. The Customer Relationship Unit can provide assistance with this.
- Assist with CFSP authorisation and deploy appropriately qualified staff to help with the authorisation process.
- Aim to answer all VAT, customs or excise enquiries, normally straight away and if not, within 7 working days of receipt.
- Are easily contactable through direct phone lines, email etc and are located in a single building that is open to the public during normal office hours. An out of hours service is maintained through a series of 'on call' officers available 24 hours per day.
- Will provide in certain circumstances, a dedicated single resource, to deliver premium service levels to meet your business needs.
- Help businesses seeking to use customs simplifications including, but not limited to, Customs Warehousing, Inward or Outward Processing Relief and CFSP.
- Commit and deploy appropriately qualified resources to guide you through the process of attaining the Authorised Economic Operator accreditation (AEO).
- Provide access to the full resources of Isle of Man Customs and Excise, available from a single office with nominated officers.

Isle of Man Customs and Excise Requirements

International businesses seeking to use the Isle of Man EPU facility must apply to Isle of Man Customs and Excise and obtain the following: -

- A **VAT registration number** – as the business will be importing and trading in goods to, from and within the combined territories of the Isle of Man and UK there is a legal requirement for all such businesses to be VAT registered.
- An **Economic Operator Registration and Identification (EORI)** number - this is a unique numerical identifier which will identify a trader for use across the whole of the European Union for Customs, Excise and VAT purposes.
- A **Duty Deferment** Account – this is a security backed account with Isle of Man Customs and Excise which allows businesses to defer payment of their import duties/taxes on a monthly basis.
- **Customs Freight Simplified Procedures Authorisation (CFSP)** – either through an existing agent based on the Isle of Man or applied for by the business direct. This ensures all import and export requirements fall under the control of Isle of Man Customs and Excise. Authorisation is required to use CFSP and Isle of Man Customs and Excise will assist business to achieve this status.

Advantages of the Isle of Man for your Business

- The Isle of Man is treated as being part of the EU for Customs, Excise and VAT purposes, but deemed outside the EU for all other taxes. This provides surety for Customs and Excise matters whilst allowing flexibility for other purposes.
- Locating in Isle of Man brings your EU customer closer to you, reducing the length of the EU supply chain and providing the opportunity to enhance profits.
- A Customs and Excise service committed to delivering a premium service, assisting business in implementing the most cost effective and appropriate customs procedures and simplifications.
- The Isle of Man Government's 'Freedom to Flourish' initiative is a pro-active joined up approach that is responsive to business needs.
- Provision of world class professional and inclusive corporate, legal and financial services.
- Comprehensive ancillary service provision for both businesses and individuals seeking to establish a presence in the Isle of Man.
- Direct tax transparency.
- Safe, low crime environment.



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