

Isle of Man Customs & Excise

VAT Notes No. 4 of 2013/14

Items of general interest to Isle of Man Traders

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Gambling Duty Act

The Gambling Duty Act 2012 came into operation on 1 January 2014.

It replaces the former general betting duty, pool betting duty and online gambling duty with a single duty of excise called “gambling duty”, but does not deal with machine games duty, lottery duty on National Lottery games, or land-based casino gaming.

The rates and bases of liability for operators of the new gambling duty under the new Act will remain the same as currently apply for the duties being replaced, and any approvals or concessions currently allowed to existing operators will be carried forward. However, the new provisions are designed to be more flexible, and so better able to deal with technical or other developments.

Any new operators must give Customs and Excise a minimum of 7 days notice of the intention to undertake dutiable gambling.

A News Release is available on our [website](#) and a new [Notice](#) 451 MAN will be published in due course.

Intrastat – Thresholds from 1 January 2014

The Intrastat Arrivals Exemption threshold has been increased from £600,000 to £1,200,000 from 1 January 2014.

The Delivery Terms threshold has been increased from £16,000,000 to £24,000,000 from 1 January 2014.

A new Intrastat General Guide is available on the HM Revenue & Customs website reflecting these changes, HMRC Reference: Notice 60 (January 2014).

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.

VAT Place of Supply of services rules and introduction of the VAT Mini One Stop Shop

In VAT Notes 3 2013 (September 2013), HMRC advised that changes will be made to the VAT Place of Supply of services rules involving business to consumer supplies of broadcasting, telecommunications and e-services (BTE).

From 1 January 2015, the place of taxation of BTE services will be determined by the location of the customer who receives the service, and not the location of the supplier of the services.

A new online service called VAT Mini One Stop Shop (VAT MOSS) is being introduced so that suppliers of BTE services will not have to register in every European Union (EU) state in which they have a customer. This is an optional service that will mean businesses can submit a single VAT MOSS return and payment for all their EU BTE sales.

Businesses will be able to register to use VAT MOSS from October 2014 and the online service will be available to use from 1 January 2015.

For more information about the changes, go to www.hmrc.gov.uk/posmoss

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 7th calendar day, allowing for weekends and bank holidays.

For example, if the 7th 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 7th 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.

Toolkits to help reduce errors

The HMRC website includes a number of 'toolkits' aimed at reducing the more frequent errors made by businesses.

Although aimed at agents, the information is equally suited to businesses and includes toolkits for VAT Input Tax, VAT Output Tax and VAT Partial Exemption.

Each of the toolkits covers a number of topics, highlights the risks and provides a checklist to help mitigate the risks.

Access to the website is from the following address: www.hmrc.gov.uk/agents/prereturn-support-agents.htm

Open General Export Licences – reporting requirements

Any exporter which makes use of an Open General Export Licence, or an Open General Trade Control Licence, whether granted by the UK or Isle of Man authorities should be aware that, with effect from 1 January 2014, they are obliged to compile details of use of such licences and submit annual returns of usage to the licensing authority. For more information see BIS Notice to Exporters 2014/1 – <http://blogs.bis.gov.uk/exportcontrol/uncategorized/notice-to-exporters-201401-new-reporting-requirements-for-open-general-export-licences/>

Regulation of Care Act 2013

Any institution or agency providing welfare services on the Island who are now required to register with the Department of Social Care's (DSC) Registration and Inspection Unit under the Regulation of Care Act 2013 need to be aware that if they do not register with the DSC any supplies made after 2 January 2014 will be subject to VAT. Where a provider has applied to register with DSC but the registration process is not complete, Customs & Excise will allow a transitional period of 18 months until 30 June 2015 for the process to be completed. During this time, any welfare services which have previously been ruled to be exempt will continue to be treated as such.

Further information can be found in a [News Release](#) issued on 17 January 2014 and in the [Public Notice 701/2](#) Welfare or you can contact the VAT Advice Centre on 648130.

EU Enlargement: Croatia joins the European Union

On 1 July 2013 Croatia became part of the European Union, increasing the total number of Member States from 27 to 28. This means that, from 1 July 2013, if you supply goods to a VAT registered customer in Croatia, or supply services that are subject to the reverse charge to businesses in Croatia, these supplies must be treated in the same way as supplies to existing Member States and have to be included on your EC Sales Lists (ESLs). You should use the country code "HR" for Croatia. You should also ensure that, from 1 July 2013, all your trade in goods between UK/IOM and Croatia is recorded in boxes 8 and 9 of your VAT return. You may also need to complete Intrastat returns if you import or export goods between

the UK/IOM and Croatia. You can read more at <http://www.uktradeinfo.com> and following the News links.

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

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

Customs and Excise Division has further enhanced its online facilities in both "My VAT Return" and "My Clients VAT Return" services from 17 December 2013.

A new facility is available to change your own postal address and contact details when logged into "**My VAT Return**" service. Select menu option "Business Details" and then "Contact Details". You can also print your own VAT Registration Certificate (VAT 4) by selecting menu option "Registration Certificate".

A new facility for Agents is available to print a VAT Registration Certificate (VAT 4) for any of your VAT client companies when logged into "**My Clients VAT Return**" service. Just select menu option "Registration Certificate".

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.

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	customsadv@gov.im
VAT Registration	648120	
VAT Deregistration	648150	
Excise & Customs Advice	648140	
Debt Management	648160	
Assurance Visiting Teams	648170	Assurance.Customs@gov.im
Support Services	648180	SupportServices.Customs@gov.im
Customer Relationship Unit	648190	cru.customs@gov.im
General Enquiries	648100	customs@gov.im
Online Services	648103	customsonline@gov.im
Anti Smuggling	648110	
Customs Hotline	0800 59 5000	

Fax

661725

Web page

www.gov.im/customs

Address

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IM99 1AG