

DUTY DEFERMENT

POTENTIAL TO EXTEND PAYMENT PERIOD FOR CUSTOMS/IMPORT VAT DUTY DUE ON 15 APRIL

Isle of Man traders holding an Isle of Man Duty Deferment Account who are experiencing severe financial difficulties as a result of the COVID-19 measures in place, and who are unable to make payment of deferred customs duties and import VAT due on 15 April, can contact Isle of Man Customs & Excise for approval to an arrangement for an extended period for making full or partial payment without having their guarantee called upon or their account suspended. Any Isle of Man trader holding a HMRC Duty Deferment Account must contact HMRC.

Further detail

Q1: How do duty deferment users request a payment extension?

If you hold an Isle of Man Duty Deferment Account and are facing severe financial difficulties as a direct result of COVID-19 and are unable to make payment of deferred customs duty and import VAT due on 15 April they should email Isle of Man Customs & Excise iomdeferment.Customs@gov.im to request an extension or to agree a 'Time to Pay' arrangement.

If you hold a HMRC Duty Deferment Account you should contact the Duty Deferment Office 03000 594243 / cdoenquiries@hmrc.gov.uk or the COVID-19 helpline on [0800 024 1222](tel:08000241222) .

Q2. Can duty deferment users continue to use their duty deferment accounts while payment remains outstanding and if so, will they need to increase their guarantee?

Duty Deferment Account holders will be able to use their accounts during the extended payment period agreed unless they default on a subsequent payment in that period, in which case Isle of Man Customs & Excise/HMRC may consider suspending their account. The outstanding payment will not affect their duty deferment limit so they will not need to increase their guarantee to cover the outstanding payment.

Q3. Will Isle of Man Customs & Excise /HMRC charge interest on these outstanding payments?

No, where Isle of Man Customs & Excise /HMRC agree to an extended payment period, interest will not be charged on the outstanding payments provided they are paid in full by the agreed date.

Q4. Can duty deferment users request a payment extension if they think it will help ease cash-flow concerns while the COVID-19 measures remain in place?

In order to qualify for the extended payment period, the duty deferment user must be experiencing severe financial difficulties as a direct result of COVID-19 which means they are unable to pay the deferred customs duty and import VAT due on 15th April. Duty deferment users financially capable of making payment in full on 15th April should do so.

Q5. How do you assess whether duty deferment users are suffering genuine financial difficulty as a result of COVID?

Any duty deferment user who is experiencing severe financial difficulty as a result of COVID-19 and is unable to pay the customs duty and import VAT due on 15th April can contact Isle of Man Customs & Excise/ HMRC to request an extension to the April payment deadline. They will be asked to provide an explanation of how COVID-19 has impacted on their business finances and their cash-flow.

Q6. Will the payment deadline extension apply to payments due on 15th May?

Isle of Man Customs & Excise /HMRC will be reviewing the position for payments due in May taking account of any COVID-19 measures in place as we approach that payment date. Duty deferment users must not cancel their direct debts for April but, instead, should contact their bank to 'stop'

that one debit only. If, however, Duty Deferment Account users have already cancelled their direct debits for April, they should take steps to contact their banks to reinstate their direct debits for any payment due on 15th May pending further guidance from Isle of Man Customs & Excise /HMRC on the treatment of payments due on that date.

Q7. Do these arrangements apply to payments of deferred excise duty?

Any Isle of Man trader who is experiencing severe financial difficulty as a result of COVID-19 and is unable to pay **excise duty** should email Isle of Man Customs & Excise iomdeferment.Customs@gov.im explaining the reason why they wish to defer payment or to agree a 'Time to Pay' arrangement.

Q8. What about cash Payments?

Any Isle of Man Registered Importers who pay cash or an equivalent to HMRC and are facing severe financial difficulties as a direct result of COVID-19 can contact HMRC to request an extension to the payment deadline at the time the payment is due. They will be asked to provide an explanation of how COVID-19 has impacted on their business finances. HMRC will consider this request and decide whether or not to agree an additional time to pay. The decision will be taken on a case-by-case basis and could be refused. If the request is approved the conditions, including the length of time offered, will depend upon the importers individual circumstances and may require the holding of a guarantee for the period of the time extension. We cannot offer this facility to non-registered importers. For further information, please contact the HMRC Customs Debt Policy inbox (custdebtrr.customspolicy@hmrc.gov.uk)