

Treasury publishes Isle of Man VAT review

The Isle of Man Government has correctly implemented and administered UK and EU VAT law for aircraft and yachts but should implement additional post-registration compliance procedures to ensure that the right VAT continues to be collected, a review carried out by HM Treasury has found.

Following a series of allegations of VAT avoidance in late 2017, the Isle of Man Government invited HM Treasury to carry out a review of its VAT rules and procedures regarding aircraft and yacht importations.

The [review](#), published today (16 October 2019), looked into the application of aircraft and yacht VAT rules in the Isle of Man and whether its rules and procedures enabled importation (e.g. by high net worth individuals) of private jets into the EU without paying the correct amount of VAT. Publication today concludes over a year of intensive investigation by VAT administration experts into this issue.

The report found that UK and EU VAT law had been correctly implemented in the Isle of Man and allegations of widespread VAT avoidance on aircraft and yachts were not upheld.

The report finds that the Isle of Man Government carries out extensive and effective compliance checks during VAT registration but should implement further compliance checks in the years after registration to ensure that the right amount of VAT continues to be collected. The Isle of Man Government has already started to implement improved compliance procedures in light of these recommendations.

The work carried out by HM Treasury has also highlighted the complexity in international VAT rules and the report notes that there may be merit in a wider review of these rules if EU member states and other jurisdictions deem that more tax should be collected on these activities.

In a statement, the Financial Secretary to the Treasury, Jesse Norman said:

This is a matter of considerable public importance, and the Isle of Man government rightly agreed to a full review.

I am pleased to confirm that the reviewers have found no evidence of widespread VAT avoidance. However, the Isle of Man government is taking action to improve its post-registration checks as a result of the review. My officials look forward to working closely with them to provide advice and guidance throughout the implementation and in the future.

The Isle of Man is a UK Crown Dependency and has sovereignty over its tax

system but under the Isle of Man Act 1979, it must apply VAT rules in a very similar way to the UK. It is the responsibility of the Isle of Man to assure those rules.

The Isle of Man invited HM Treasury to carry out a review of its VAT procedures for aircraft and yachts following allegations made as part of the Paradise Papers leaks in November 2017. While the UK and Isle of Man are separate tax jurisdictions, the UK Government works closely with Isle of Man Customs and Excise and is happy to provide technical assistance when asked.

The review into the Isle of Man's VAT procedures was one part of the UK's response to the Paradise Papers.

Detailed work has been carried out on the published Paradise Papers data which revealed that less than 2% of the data released by the International Consortium of Investigative Journalists relates to UK individuals or entities.

HMRC has reviewed over 300 corporate groups and individuals from its customer population who were identified in the documents. For approximately 80% of these, the structures identified have no UK tax consequences or were already known to HMRC.

For the remaining 20%, where new information is available, these are subject to ongoing examination by HMRC, who will take robust compliance action wherever appropriate.

[Plant a tree seed and decorate a plant pot in Kendal with local artist](#)

On Wednesday 23 October 2019, 1pm till 5.30pm, the Environment Agency opens the doors to its visitor centre at Westmorland shopping centre for a fun filled afternoon planting tree seeds and decorating plant pots which people can then take home, nurture and plant.

The event has kindly been supported by Homebase who are providing all the equipment, including the plant pots and compost the Tree Council, Kendal Conservation Volunteers and local artist, Lana Grindley, who will help people bring to life their decorative ideas.

Lana Grindley of Love Arts Workshops, said: "I'm delighted to be able to support the Environment Agency in hosting this family activity day – it's a great way children, families and local people to get creative whilst giving back to nature.

"I really enjoy working alongside the local community and delivering creative

workshops that get people's creative juices flowing!

"It's free to attend and I'm really looking forward to helping people get involved and also help the Environment Agency in their mission to plant more trees in Kendal."

Stewart Mounsey, Environment Agency Flood Risk Manager for Cumbria, said: "We delighted to be able to host this half term event for youngsters, families and local people in Kendal and hope everyone has a fun day whilst helping our local environment."

"The Tree Council have kindly provided guidance which people can take home to help people plant and care for their tree and we hope it helps children learn about the importance of caring for our natural environment."

"We'd also love people's thoughts and ideas to incorporate into our art strategy and work to improve public areas as part of the flood scheme."

The proposed Kendal Flood Risk Management Scheme will reduce the risk of flooding to 1,437 homes and 1,151 businesses across Kendal and surrounding areas to a 1% chance of flooding in any one year.

As with every project they undertake, the Environment Agency also strive to improve our environment – and as well as delivering a flood risk management scheme, in Kendal, they will be restoring vital habitat, bringing nature back to certain areas, improving public spaces and access in the town, as well as looking at ways to incorporate community art into the scheme.

The visitor centre is based in The Fell Tarn shop, 1st floor, Westmorland Shopping Centre, Kendal, where you can also find out the latest information about the Kendal Flood Risk Management Scheme:

- Our plans and timescales
- Scheme overview aesthetics and finishes (including samples of flood walls and glass panels)
- Kendal public realm/art strategy (which is where we are planning on adding art into the scheme and improving public areas)
- Environmental enhancements we are including as part of the project, mitigation throughout construction and tree planting
- Property level flood resilience and resistance (individual property level protection)

Here there is an opportunity for the public to feedback their thoughts and comments on the detailed designs to the project team and find out more about steps individuals can do to better protect their families and homes.

As well as talking to the project team at the visitor's centre, you can also email the project team with thoughts and ideas at KendalFRMS@environment-agency.gov.uk.

The Environment Agency is continuing with ground investigation, environmental studies and survey work for all three phases of the scheme, with main construction of the scheme starting in early 2020.

The project is receiving £5.34 million of funding from the England European Regional Development Fund (ERDF) as part of the European Structural and Investment Funds Growth Programme 2014-2020. The Department for Communities and Local Government is the Managing Authority for ERDF. Established by the European Union ERDF funds help local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community regenerations. For more information visit <https://www.gov.uk/european-growth-funding>

Plant a tree seed and decorate a plant pot in Kendal with local artist

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How often you must get equipment checked for leaks if it contains hydrochlorofluorocarbons (HCFCs) – a type of ozone-depleting substance (ODS).

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What you'll need to export animals, products of animal origin and animal by-products in a no-deal Brexit.