

## Tax Return Guide for the year ended 31 December 2018

This Guide has step by step instructions to help you fill in your Tax Return

The notes are numbered to match the boxes on your Tax Return.

Most of your questions will be answered here but if you need more help then please contact the Taxation Office.

The contact details for the Taxation Office are shown below:

**The Taxation Office  
St Marys Walk  
Stanley  
Falkland Islands  
FIQQ 1ZZ**

**Telephone : + 500 28470**

**Email : [general@taxation.gov.fk](mailto:general@taxation.gov.fk)**

**Public opening hours: Monday to Friday 9am – 12noon  
(afternoon appointments by prior arrangement)**

### What should you do first?

Gather together information about your financial circumstances for the year from **1 January 2018 to 31 December 2018**.

For example if you are an employee you will need your Certificates of Tax Deducted or payslips. If you received any pensions then you will need to gather together how much you received. You will also need your bank and building society statements.

You do not need to send these records to the Taxation Office. We will ask for them if we need to see them.

### What to do if you discover you have made a mistake?

If after sending us your Tax Return you find that you have made a mistake then let us know at once. You will only be penalised if your Tax Return is incorrect through fraud or if you had no reasonable excuse or if there is an unreasonable delay in providing corrected figures once they become known to you.

The penalties can be up to treble the difference between the correct tax and the amount that would have been due on the basis of the figures returned by you. You could also be prosecuted.

### What the Taxation office does

When we get your completed and signed Tax Return we will calculate how much tax is due to be paid by you or repaid by us. We may make enquiries about the figures in your Tax Return and ask you to send us records that you used to fill in your Tax Return. We may also check your figures against any other details received from other sources.

### What next

The rest of the guide will help you fill in the boxes.

Do not delay sending your Tax Return. You do not have to wait for the deadline shown on the front of the Tax Return. If you tackle your Tax Return early it means that you will have more time to get help if needed.

### How to fill in the Boxes

You should answer all of Questions 1 to 16.

Question 8 only applies if you were resident and/or ordinarily resident for tax purposes in 2018. If you are unsure of your residency status for tax purposes please contact our office.

If you tick 'No' to any question then go to the next question.

- Write clearly using blue or black ink. Do not use pencil.
- Only write in spaces provided.
- Only use numbers when asked for amounts.

- Do not use pence. Round down income to the nearest pound. Round up allowances and reliefs to the nearest pound. Do not worry if amounts do not add up exactly because of this. E.g. dividends in box 7.9 plus notional tax in box 7.10 may not add up exactly to gross amount in box 7.11.
- If you need help, look up the question or box number in the notes. The first part of each number shows which Question it relates to. For example box 9.3 is the third box of Question 9.

### General comments for completing your Tax Return

Please note the following important points:

- Remember to include your worldwide income – not just your Falkland Islands income, if you were resident and/or ordinarily resident for tax purposes in 2018. **Foreign income should be shown at question 8.**
- Remember that income that may have been described to you as “Tax Free” does **not** mean that it is exempt from tax. The only interest income that has been specifically exempted from tax is that shown at box 7.1.
- If you consider that the income you have under a particular Question is exempt from Falkland Islands Tax for some reason (e.g. covered by a Double Taxation Treaty) then enter the word “EXEMPT” in the box for that question. Then add a note at box 10.3 explaining why you consider an item of income to be exempt.
- All income should be shown in Falkland Pounds.

### Question 1

**Were you an employee, office holder, director, agency worker or did you receive payments from a former employer (excluding pensions)?**

Remember that although your employer may have given you figures of your pay and tax deducted you are still responsible for what you put in the boxes at Question 1.

The word ‘employment’ is used in this Guide to include straightforward ordinary employment arrangements (“jobs”) as well as directorships, offices and agency engagements.

Do not include pensions from a former employer here. These should be entered at Question 3.

The general rules for taxing income are that you should enter the amounts you **earned** in the year 1 January 2018 to 31 December 2018, even if received in a different year.

**box 1A** – Enter the name of all companies you are a director of, if any.

### Money Payments

You should include the following as money payments in box 1.2

- Salaries, wages, fees, commissions, overtime, bonuses, and other contractual payments for services.
- Payments from third parties where the payment is made as a reward for services given in the employment. This includes tips and gratuities.
- “Gratuities”, end of contract bonuses or other lump sum payments. These are all taxable. The Taxation Office applies special rules (extra statutory concessions) to “gratuities”. Contact the Taxation Office for further details.
- Payments that are not directly for services but that are directly connected to your employment e.g. payments for changes in working conditions.
- Payments received while working for an agency.
- Payments you get for restricting your activities in some way (e.g. Restrictive covenants).

**box 1.1** - Enter your Employer’s name.

**box 1.2** - Enter the amount earned from your employment. The list shown above at Question 1 includes some of the more common items that should be included. Remember the sum entered here should be the Gross amount before any deductions.

**box 1.3** - Enter the POAT (Payments On Account of Tax) deducted by your employer. This can be found on your Certificate of Tax Deducted.

**box 1.4** - Enter any tips or other payments that you may have received and that have not been included in your Certificate of Tax Deducted or in box 1.2 above.

### Second, and Third Employments

Enter here details of any other employments, if you had more than one during the year. This may have been a second job, casual wages, or when you left one job and started another. The information required is exactly the same as for the main employment shown above.

### More than three employments

You should take a photocopy of this blank page and enter the information of other employments on the photocopy; or write the same details on a piece of paper and attach it to your return.

**box 1.13** - Tick this box when you have filled in the details of the remaining employments.

## Question 2

**Did you receive any Benefits in Kind (BIK)?**

Boxes 2.2 to 2.9 do not apply to agricultural, horticultural workers, those engaged in oil exploration or exploitation works accommodated offshore, or crew members on-board ships. Boxes 2.2 to 2.9 apply to everyone else.

If you make a payment to your employer for any of these benefits (“make good”) then this payment can be deducted from the value of the benefit that you report in boxes 2.2 to 2.9 and 2.11. If you pay more for the benefit than the values shown then enter “Nil”. No benefit can be reduced below Nil. If you pay more than the value of the benefit then the surplus cannot be used to offset other benefits.

**box 2.1** - Enter your Employer’s name.

**boxes 2.2 and 2.3** - Furnished and unfurnished houses.

If you were not employed for the full year or this benefit was not available for the whole year then the annual value should be adjusted by dividing the benefit value by 365 and then multiplying this by the appropriate number of days (only applies to houses). See example 2 over page.

The value of the house provided is calculated on the number of rooms. If your employer provides you with a furnished house the benefit is £1,000 per room. The benefit for an unfurnished house is £750 per room. The maximum number of rooms that you need to include is 7. See below for the definition of a room. **You do not need to increase this benefit if you had your family living with you.**

You can then deduct the amount of rent that you pay to see if there is a benefit.

### Example 1:

Your employer provides you with a furnished 4 roomed house (2 bedrooms, a kitchen and a living room). This was available to you for the whole year. You pay a rent of £75 per month for the accommodation. Your spouse and children live with you. The benefit is calculated as follows:

4 rooms x £1,000 per room = £4,000

(no increase for family living with you)

less rent contributed by you (“made good”) of :

£75 x 12 months = £900.

The Taxable Benefit is Value - contribution = £4,000 - £900 = £3,100. Enter £3,100 at box 2.2

### Example 2:

Your employer has provided you with an unfurnished 3 roomed flat (a bedroom, kitchen and living room). You pay your employer £250 per month for this. The property was only made available to you for the last 6 months of the year.

Value of property = 3 rooms x £750 x 6/12 months = £1,125

Contribution by you: 6 months x £250 = £1,500

Value - contribution = £1,125 - £1,500 = - £375. In this case the contribution exceeds the benefit therefore no overall benefit. Enter NIL in box 2.3.

### **Definition of a room for calculating the furnished/unfurnished house benefits.**

**Are classified as a room:** Kitchen  
Bedroom  
Living room  
Dining room  
Box room  
Any other room

**Not treated as a room:** Porch  
Bathroom or lavatory  
Hall or passage  
Garage or outbuilding  
Larder

### **box 2.4 Heating and/or Electric where you/your family have use of the whole property**

Enter the set value of heating or electricity, or both, provided by your employer or at your employer's expense.

This benefit is £500 per room up to a maximum of 7 rooms.

**If your spouse or any children also lived there, the amount of benefit you enter should be increased by 20% for your spouse and 10% for each child.**

If you were not employed for the full year or this benefit was not available for the whole year then the annual value should be adjusted by dividing the benefit value by 365 and then multiplying this by the appropriate number of days.

### **box 2.5 Board & Accommodation including heating or electricity (or both)**

Enter the set value of any board and accommodation including heating or electricity (or both) provided by your employer. The daily value is £12.50, subject to a maximum annual value of £4,000.

This covers your employer putting you up in, for example a B & B or hostel accommodation, where you are provided with food and meals (board) and heating and electricity (or both).

This benefit is different from the furnished/unfurnished house benefits that are shown at boxes 2.2 and 2.3.

### **box 2.6 Board & Accommodation excluding heating or electricity (or both)**

Enter the set value of any board and accommodation excluding heating or electricity, or both, provided by your employer.

The daily value is £9.50, subject to a maximum annual value of £3,000.

### **box 2.7 Accommodation only**

Enter the set value of accommodation only provided by your employer or at your employer's expense. This can apply where you have been provided with a room within a house, which you share with others, apart from family, which has not been provided for your sole use.

The daily value is £4.75 subject to a maximum annual value of £1,500.

### **box 2.8 Board only**

Enter the set value of food and meals provided by your employer or at your employer's expense. The daily value is £4.75, subject to a maximum annual value of £1,500.

### **box 2.9 Heating and/or Electricity where you/your family have use of shared accommodation**

Enter the set value of heating or electricity, or both, provided by your employer or at your employer's expense.

The daily value is £3.00 subject to a maximum annual value of £1,000.

**If the benefit was provided as a result of your employment and your spouse or any children also lived there, the amount of benefit you enter should be increased by 20% for your spouse and 10% for each child. These increases apply to each of or a combination of the benefits: board, accommodation, heating or electricity.**

### **boxes 2.10 and 2.11 Vehicles**

If you have been supplied with, or had made available to you, a company vehicle which you could or have been able to use for personal use then this is regarded as a benefit and therefore taxable.

If the vehicle has only been supplied or available to you occasionally then the charge is £40.00 per day up to 75 days per year.

e.g. Company vehicle available to you for 50 days per year, the benefit at box 2.11 is 50 x £40 = £2,000.

If the vehicle was supplied or available to you for over 75 days per year up to a full year, the value of benefit at box 2.11 is £3,000.

### **box 2.12 Loans**

If you have received a loan from your employer that is still outstanding at 1 January 2018 or take out a loan with your employer anytime during 2018 then complete boxes 2.12a to 2.12c

**box 2.12a** - Enter the start date of the loan, if after 1 January 2018 or enter 1 January 2018 if it was in place before this date. Enter the end date of the loan, if before 31 December 2018, or enter 31 December 2018 if it was still outstanding after that date.

**box 2.12b** - Enter the total amount of the loan outstanding at the beginning of the year or when the loan started and then the total amount of the loan

outstanding at the end of the year or when the loan finished.

**box 2.12c** - Enter the amount of interest paid and the rate of interest charged for the year on the loan, if any.

### **box 2.13 Travel**

Tick the YES box if you have received travel, accommodation, etc wholly or partly paid for by your employer that was **not** wholly, necessarily and exclusively for the purposes of that employment. Full details will be obtained from your employer. If you travelled partly on business and partly on pleasure still tick the YES box and we will contact your employer for further details. Enter the amount if you do know the benefit received for travel.

### **boxes 2.14 and 2.15 Other Payments**

If you received payment from your employer in a form other than money then tick the box and give details in boxes 2.14 and 2.15 Examples of these items are food, entertainment, achievement awards, vehicle spares, services in lieu of payments, etc.

**box 2.16** - Tick here if you have attached details of any Benefits in Kind from more than one employer.

### **Question 3a**

**Did you receive a pension?**

Pensions and annuities include those from:

- the Falkland Islands Government
- a former employer
- your late husband's or wife's employer
- personal pension plans
- retirement annuity contracts

**box 3.1** - Enter the gross amount of any Falkland Islands Service (Works) Pension due to you. The Treasury will have sent you this information.

**box 3.2** - If tax was deducted from this pension, enter the tax deducted in the year.

**box 3.3** - Enter the amount of Falkland Islands Retirement Pension you received (this was previously known as the Falkland Islands Old Age Pension). You will find this in your pension book or on your annual statement from the Treasury.

**box 3.4** - If tax was deducted from this pension then enter the tax deducted in the year.

### **Other pensions and annuities**

Use boxes 3.5 to 3.12 to give details of anyone paying you a pension or an annuity.

**box 3.5** - Enter the name of the person paying you any other pension.

**box 3.6** - If tax was deducted from this pension, enter the net figure received in the year.

**box 3.7** - Show how much tax was deducted, if any.

**box 3.8** - Enter the Gross amount of your pension. This should be the total of boxes 3.6 and 3.7, if tax had been deducted from the pension before you got it. If it was received gross then enter the amount you received.

### **boxes 3.9 to 3.12 Second Pension**

Enter here the details of a second pension source if you had one during the year. The information required is exactly the same as required for boxes 3.5 to 3.8 shown above.

**box 3.13** - If you had more than two pensions, put the details on a piece of paper and attach it to your Tax Return or enter the details at box 9.3 additional information. Tick box 3.13 when you have done this.

### **Question 3b**

**If you were 60 years old or over during 2018, would you like your pension to be jointly split between yourself and your spouse?**

A concession has been made to the taxes legislation to allow you, if you were 60 or over during 2018, to split your pension income equally between yourself and your spouse. **The split is for tax purposes only, your spouse will not actually be paid the split of your pension.** This section is asking you which or all of your pensions you would like to split.

**box 3.14** - Enter your spouse's full name.

**box 3.15** - Enter the Tax Identification Number of your spouse (if unknown, enter their date of birth).

**boxes 3.16 and 3.17** - Tick both or either box if you would like your Falkland Island Service (Works) Pension and/or your Falkland Islands Retirement Pension split between yourself and your spouse.

**boxes 3.18 and 3.19** - Enter the name of the Pension or Annuity Provider in the box you would like split between yourself and your spouse.

**box 3.20** - Tick the box if there are any other pensions you received which you would like to be split equally between yourself and your spouse. Put the details on a piece of paper and attach it to your Tax Return or enter the details at box 9.3 additional information.

**box 3.21** - Sign here as confirmation of your election to split your pension(s) equally.

**box 3.22** - Please ask your spouse to sign here as consent to split your pension equally.

**box 3.23** - Enter the date of the above signatures.

### Question 3c

**Have you received a split of your spouse's pension(s)?**

This question asks for **your spouse's** pension details where you have agreed to split any pension equally between yourselves.

Your spouse and you will have signed the agreement on their Tax Return at Question 3b. This section is for you to show any such pension split so that it can be included in your assessment.

**Please complete Boxes 3.24, 3.25 and 3.26 as requested in this section**

### Question 4

**Were you in self-employment (but not in partnership and excluding income from property)?**

You should answer 'Yes' to Question 4 if at any time during the year 1 January 2018 to 31 December 2018 you carried on a trade, profession, vocation or business in the Falklands. If you were in partnership you should complete Question 5. If your business was income from property or land then you should complete Question 6.

If you are unsure whether your activities are assessable as self-employment income, then contact the Taxation Office or seek professional advice.

You need to prepare your business accounts (Profit & Loss account and Balance Sheet) that cover the period to be reported by the Tax Return. The accounts will normally be for a period of 12 months ending at 31 December 2018. In a continuing business the accounts should follow on from the previous accounts.

If you started in business in 2018 you should draw up your accounts from commencement to 31 December 2018. Only by special concession from the Commissioner of Taxation can the accounts be drawn up with different accounting periods.

When you have prepared your accounts you should adjust the profit to produce the taxable profit.

Your taxable business profits are broadly the difference between:

- turnover, other business receipts, balancing charges and the value of goods taken for your own use **and**
- allowable business expenses and depreciation allowances.

Your accounts should be prepared using Generally Accepted Accountancy Principles. You should

normally include a Balance Sheet drawn up at the last day of your accounts. For further advice on how to calculate your taxable profits, what you should include as turnover and what expenses are allowable for tax you can contact the Taxation Office or alternatively you should seek independent advice.

**box 4.1** - Enter the name of your business if you have one e.g. "John Bloggs Electrical"

**box 4.2** - Enter a description of the business. e.g. "Electrical wholesaler and contractor"

**boxes 4.3 and 4.4** - Enter start and finish dates of the accounts for your self-employed business. If this is a continuing business this date should start from the date the previous accounts finished on.

If you started in business in 2018 then put the date you started in box 4.3. Put 31 December 2018 in box 4.4 or the date agreed with the Commissioner of Taxation. If your first set of accounts did not end in 2018, we will not normally need your accounts until the following year. Accounts should normally be for a 12-month period.

If your business closed or ceased during 2018, you should enter the date it ceased in box 4.4. We will need accounts up to that date.

**box 4.5** - Enter the net business profit as adjusted for tax purposes. It is not sufficient to say "per accounts". This should be the figure you claim is assessable to tax. You should have included balancing charges and depreciation allowances in calculating this figure. We will need to see how you arrived at the figure of taxable profit.

If your calculation has produced a loss then show this in brackets.

**box 4.6** - Tick box 4.6 when you have attached your business accounts and your calculation of how you arrived at the profit figure for tax purposes (tax computation).

Remember your tax return is not complete until you send in your accounts and tax computation.

**Second source of self-employed income (not including partnership)**

The same information should be entered as for your first source of self-employed income.

**More than two sources of self-employment income**

You should take a photocopy of this page of your Tax return and enter the information relevant to the third and other sources of self-employment income or write the same details on a piece of paper.

**box 4.13** - Tick when you have attached the accounts and tax computations for your other sources of self-employed income.

## Question 5

### Were you in partnership (excluding income from property)?

You should answer 'Yes' to Question 5 if at any time during 2018 you carried on a trade, profession, vocation or business in the Falklands or abroad in partnership with any other person. If you carried on this business on your own you should complete Question 4. If your business was income from property then you should complete Question 6. Your partner in this business should show their share of the partnership profit on their declaration form.

**box 5.1** - Enter the name of your business if you have one e.g. "Blogs Brothers"

**box 5.2** - Enter a description of the business. e.g. "Farming"

**boxes 5.3 and 5.4** - Enter start and finish dates of the accounts for this partnership business. If this is a continuing business this date should start from the date the previous accounts finished on.

If you started business in partnership in 2018, enter the start date in box 5.3. Put the 31 December 2018 in box 5.4 or the date agreed with the Commissioner of Taxation. If your first set of accounts did not end in 2018, we will not normally need your accounts until the following year. Accounts should normally be for a 12 month period.

If the business closed or ceased during 2018, then enter the date it ceased in box 5.4. We will need accounts up to that date.

**box 5.5** - Enter your share of the net business profit as adjusted for tax purposes. This should be the figure you claim is assessable to tax on you (excluding the share(s) of the other partner(s) in the business). We will need to see how you arrived at the figure of taxable profit and your share of it.

If your calculation has produced a loss then show this in brackets.

**box 5.6** - Tick this box when you have attached the partnership business accounts, the calculation of how you arrived at the profit figure for tax purposes (Tax computation), and your share of it.

Remember your tax return is not complete until you send in the business accounts for the partnership and the tax computation.

### Second source of partnership income

The same information should be entered as for your first source of partnership income.

### More than two sources of partnership income

You should take a photocopy of this page of your Tax return and enter the third and other sources of

partnership income on the photocopy or write the same details on a piece of paper.

**box 5.13** - Tick this box when you have attached the accounts and tax computations for your other sources of partnership income

## Question 6

### Did you receive any income from property or land in the Falkland Islands?

Include only **your** share of the income from property or land.

Question 6 applies both to rental businesses with numerous properties and also to people who may simply have one property to rent or those who take in a lodger in their own home.

Sometimes the provision of furnished accommodation in your own home can amount to a trade that should be reported at Question 4 (self-employment) or if a partnership, Question 5. For example, a Bed and Breakfast or Guesthouse business should be treated as a self-employed source.

Income from property and land includes a broad range of income but specifically includes:

- Rental income and other receipts from land and property such as way leaves, the granting of sporting rights, waste tipping
- Premiums from leases
- Reverse premiums

**box 6.1** - Enter the net taxable income from properties and land. This should be taken from accounts and your tax computations.

**boxes 6.2 to 6.5** - Enter the addresses of all of the properties that you received income from or are claiming expenses for. Put one property on each line. If there is not enough room for all of the properties then show them on a separate piece of paper.

The accounts of your income from land and property should be prepared using Generally Accepted Accounting Principles. The tax computations should adjust the accounts to show only allowable expenses. The tax computations should show any depreciation allowances or balancing charges that are appropriate.

Enter the name(s) opposite any properties of the person(s) with whom you jointly let that property.

**box 6.6** - Tick this box when you have attached the accounts and tax computations for your share of income from all property and land.

## Question 7

### Did you receive any income from Falkland Islands savings and investments?

If you have savings or investments held in joint names you must enter only **your** share of the income. The other account holder should report their share on their Tax Return.

### **Exempt Interest**

**box 7.1** - Enter your share of interest received from the Stanley branch of Standard Chartered Bank. This interest is exempt from tax. Your share of any interest or investment income from any **other** branch of the Standard Chartered Bank should be entered at boxes 8.17 to 8.31.

Interest from the two provident funds currently in existence in the Falkland Islands, operated by Falkland Landholdings Corporation and Falkland Islands Company Limited, is also exempt.

### **Other Falkland Island interest received**

Include any income that you earned on deposits in the Falkland Islands.

**boxes 7.2 and those below** - Enter the name of the person paying the interest.

**boxes 7.3 and those below** - Enter the gross amount of interest received for each account.

**boxes 7.4 and those below** - Enter any tax deducted.

If you have any other accounts show the same details as above on a separate piece of paper, or at box 9.3 additional information.

### **Dividends and Distributions**

Separate your dividends into those paid by Falkland companies and non-Falkland Island companies. Enter the non-Falkland Island companies details at Question 8. Dividend vouchers are not required, but should be retained as we may request to see them.

### **Dividends and distributions from Falkland Island companies (non-Falkland Island companies should be entered at Q.8)**

For Falkland Island companies the 'net amount' is the amount you actually received. If you do not have the dividend vouchers you can work out the amount of notional tax that belongs to the dividends by dividing the net dividend by 3.76. Add the notional tax to the net dividend to give you the gross amount.

**boxes 7.8 and those below** - Enter the name of the Company paying the dividend.

**boxes 7.9 and those below** - Enter the net dividend amount.

**boxes 7.10 and those below** - Enter the notional tax for each dividend

**boxes 7.11 and those below** - Enter the total of the net dividend plus the notional tax

### **Falkland Island Investment income from any other sources not included above**

If you have received any other Falkland Islands investment income that has not been included elsewhere in Question 7, enter these details here.

**boxes 7.20 to 7.23** - Enter the name of the person paying the income at box 7.20 and the gross amount received at box 7.21. If you have any other sources enter these at 7.22 and 7.23. If these payments were received net of tax then enter details at box 9.3, additional information.

### **Question 8**

#### **Foreign Income - were you entitled to any income from any overseas country (including earnings, pensions, savings/investments)?**

If you were resident and/or ordinarily resident for tax purposes in the Falkland Islands for the tax year 2018 then all of your income from anywhere in the world is subject to tax in the Falkland Islands.

We will assess your worldwide income and allow tax credit relief for any foreign tax deducted from, or paid by you, on that income. The only country with which we hold a Double Taxation Agreement is UK, certain sources of income under that agreement may be taxable in one country only.

**box 8A** - Enter the name of all non-FI companies you are a director of, if any.

**box 8.1** - Enter the name of your employer or contractor/agent.

**box 8.2** - Enter the name of the country in which the work was performed.

**box 8.3** - Enter all remuneration received by you. If you were self-employed attach a full set of accounts relevant to that income and write "**Accounts attached**" in this box.

**box 8.4** - Enter any tax deducted by your employer. This can be found on your end of year tax deduction certificate.

**box 8.5** - Enter any tips or other payments you earned and have not been included in your end of year tax deduction certificate. In addition, enter any benefits in kind you received.

**Box 8.6** - Enter the name of person, company or scheme paying your pension

**box 8.7** - If tax was deducted from this pension enter the net amount received in the year.

**box 8.8** - If tax was deducted from this pension, enter how much was deducted.

**box 8.9** - Enter the Gross amount of your pension. This should be the total of boxes 8.7 and 8.8 if tax had been deducted from the pension before you got it. If it was received gross then just enter the amount you received.

**boxes 8.10 to 8.15** - Enter the name of the person paying you any other pension. If you had more than two pensions, enter details on a piece of paper and attach it to your Tax Return or enter the details at box 9.3 additional information.

**box 8.16** - Enter only **your** share of the income from property or land. Include with your return a full set of accounts to show how you have arrived at that figure. Some deductions/allowances given by overseas tax authorities may not be allowable under Falkland Islands taxes legislation.

This applies both to rental businesses with numerous properties and also to people who may simply have one property to rent or those who take in a lodger in their own home.

If the property is being let for residential use, there are specific provisions regarding allowable expenses – please contact our office for a guide on this matter.

Enter the full property address in the box provided.

### Interest

Include any income that you earned from accounts with any bank, building society or deposit taker wherever situated in the world.

You should include any accounts that may have been described to you as ‘tax free’. These accounts are still taxable, even though the money is held outside the Falkland Islands or you don’t bring the money into the Falkland Islands. This includes any interest from ISA (Individual Savings Account).

If you have more than one account with the same deposit taker then each account should be shown separately. If you do not have enough room, enter the other accounts on a separate piece of paper.

**box 8.17 and those below** - Enter the name of the person paying the interest.

**box 8.18 and those below** - Enter the country/countries where accounts are held.

**box 8.19 and those below** - Enter the total of the gross interest.

**box 8.32** - Tick here when you have attached evidence of tax deducted.

### Dividends and distributions

Enter details of any dividends and distributions from non-Falkland Island companies, including ISA (Individual Savings Account) and any other income from investments tax free in country held.

**box 8.33** - Enter the total amount of the net dividends.

**box 8.34** - Enter the total tax paid on the dividends. **(UK Dividends & Tax Credits** - UK dividend advice notices state the amount of ‘tax credit’ attached to that dividend. However, the ‘tax credit’ shown is not actually tax paid. It is a notional tax credit given by UK HMRC to UK residents. It is therefore incorrect to include this tax credit in your return as foreign tax paid. The full amount of dividend received will be subject to Falkland Islands income tax.)

**box 8.35** - Enter the total of the gross dividends. This can be calculated by adding box 8.33 and 8.34 together.

**box 8.36** - Tick here when you have attached evidence of tax paid.

**box 8.37 and below** - Enter the name of the person and the description of any income from non-Falkland Islands sources that have not already been declared elsewhere on this Tax Return.

**box 8.38 and below** - Enter the total of the gross amount received.

### Question 9

**Did you receive any other income that you have not already entered elsewhere on your Tax Return or do you have any other additional information to provide?**

**Other taxable income received by you not already reported**

**boxes 9.1 and 9.2** - If **you** have any other income that has not been declared elsewhere in your tax return then enter this here.

Include any form of Trust or Settlement income including that as bare trustee, which you have not already reported elsewhere on your Tax Return.

### Additional Information

**box 9.3** - Enter any additional information that you want to give about your taxation affairs.

Please also detail any voluntary Income Tax payments you made to be used against your 2018 income.

Please also detail any voluntary Income Tax payments you made to be used against your 2018 income and/or if you had any MST deducted/paid in 2018.

**For Income Tax the only allowance available is the Personal Allowance (may be apportioned depending on your tax residency status for the year).**

**The only reliefs available are for annual subscriptions, charitable donations and pension contributions.**

#### **Question 10**

**Do you want to claim any of the following reliefs against your income?**

**boxes 10.1 and 10.2** - You may claim relief for subscriptions “necessarily” paid for the purpose of your employment or profession. Enter the amount paid and the name of the subscription. We may ask for more information such as copies of receipts. If you are not tax resident and not ordinarily tax resident for 2018, you are not entitled to relief for annual subscriptions.

**boxes 10.3 and 10.4** - Enter the amount of donations made to approved charities and a description of whom those payments were made to. No deduction is allowed for each contribution made by you that total less than £50 in the year. The list of approved charities can be obtained from the Taxation Office. Please provide copies of the receipts.

#### **Question 11**

**Do you want to claim relief for any pension contributions?**

If you are not tax resident and not ordinarily tax resident for 2018 you can only claim relief for compulsory Retirement Pension Contributions you have paid in 2018.

**box 11.1** - Enter the amount that you paid to the Falkland Islands Government Retirement Pension Scheme. The full rate for employees in the year ended 31 December 2018 was £754. The full rate for a self-employed person was £1,508. You can only claim relief for actual amounts paid in 2018. If you are an employee do not include the amount paid by your employer – only the amount deducted from your wages/salary. The amount you paid can be found on your certificate of tax deducted from your employer, or you can add up the amount deducted as shown in your wage slips, or total the amounts paid from your bank account.

**box 11.2** - Only applies if you were locally recruited and entered full time employment with Falkland Islands Government on or after 1 July 2005. Please enter the amount of 5% Occupational Pension Contributions deducted from your wages during the year (check your Certificate of Tax deducted for details).

**box 11.3** - Enter the amount contributed in the year by you to Approved Pension Schemes or Approved Pension Plans. Include payments to the Falkland Islands Pension Scheme here. There are limits to the

amount that you can claim relief for. If you want more information about the limits then contact the Taxation Office.

**box 11.4** – Enter the name of the Scheme or Personal Plan you voluntarily paid into during the year.

**box 11.5** - If any of the payments being made at box 11.3 are your first contributions to a scheme or plan then you should enclose a copy of the policy documentation. We do not need to see the documentation for payments made to the Falkland Islands Pension Scheme. Tick box 11.4 when you have attached the documentation for this new scheme/plan.

#### **Question 12**

**Did you arrive/depart the Falkland Islands during the year 1 January 2018 to 31 December 2018?**

**boxes 12.1 to 12.9** - Your personal allowance **may** be restricted if you were not present in the Falkland Islands for the whole year. You should give your dates of arrival/return and departure from the Falkland Islands during the 2018 with main reasons why you were not in the Falklands.

**box 12.10** - Enter a forwarding address so that your assessment and any repayment/liability can be forwarded to you.

#### **Question 13**

**Are your details on the front of this Tax Return correct?**

If any of the details shown on page 1 of your Tax Return are wrong then tick the ‘No’ box. Score out the wrong information on page 1 and write the correct information beside it. Please provide your full address including PO Box number and use block capitals.

#### **Question 14**

**Other personal details**

We may need to contact you so if you have a daytime telephone, mobile or fax number, or e-mail address that you would be happy for us to use then please enter it in the space provided.

#### **Question 15**

**It may be calculated that you are due a repayment of tax.**

You may be due a repayment of Income Tax. Please indicate your preferred method of payment and provide the details requested so we can instruct the Treasury.

Any repayment of Income Tax will be offset against any demand of Income Tax before any repayment is made.

Please note that you cannot receive a UK sterling cheque if you are remaining in the Falklands.

## Question 16

### Declaration

You are reminded that if you give false information or conceal any part of your income you may be liable to financial penalties and/or you may be prosecuted.

If you have had your Tax Return filled in for you by someone else acting on your behalf you must still sign the Tax Return yourself to confirm to us that, to the best of your knowledge and belief, it is complete and correct. This applies if you have the services of an accountant or tax adviser, or simply had help from a friend or relative. Or submit signed authorization from you for the named person to sign on your behalf to this office.

If you are in **any** doubt about any aspect of your Tax Return or your taxation affairs then you should contact the Taxation Office or seek professional advice. The information in this Guide is written in general terms and should not be regarded as a complete and authoritative statement of the law.

**boxes 16.1 and 16.2** - You must sign and date your Tax Return.

**boxes 16.3 to 16.5** - In exceptional circumstances someone else other than the taxpayer can sign a Tax Return.

If someone dies then an executor may complete and sign the Tax Return for the period from 1 January 2018 up to the date of death of the taxpayer.

For persons who are mentally incapable of understanding the Tax Return it may be signed on their behalf by a Receiver, Power of Attorney or equivalent appointed by an appropriate court.

If you are signing for someone else then enter the capacity in which you are signing at box 16.3. Enter the name of the taxpayer that you are signing for at box 16.4 and enter your own name and address at box 16.5.

Remember to attach all of the information that you have ticked as being attached and any additional information.

### Send your completed Tax Return to

The Taxation Office  
St Marys Walk  
Stanley  
Falkland Islands  
FIQQ 1ZZ

### The later of:

- on or before 31 August 2019
- or
- within 60 days of the date of issue.

**Use the same envelope that your Tax return was sent in to you. Score out your address and put the Taxation Office address beside it. If you do this you will not have to pay postage if sent within the Falkland Islands.**

If you call our office please have your Tax Identification Number (TIN), as shown on the front of your Tax Return. Please use it in all correspondence with the Taxation Office.

Information declared in this tax return will be taxed using the allowances and tax rates below:

### Income Tax

Personal allowance (full amount) £15,000

#### Rates:

First £12,000 net chargeable income	21%
Any remainder	26%