



The Isle of Man

Providing a Unique Corporate Solution

Location & Background

The Isle of Man is situated at the heart of the British Isles in the middle of the Irish Sea between Ireland and the United Kingdom. The island is 33 miles long and 13 miles wide with a population of approximately 80,000 residents. The island is a self-governing dependent territory of the British Crown which is not part of the United Kingdom, with the Island's democratically elected government exercising full control of its internal affairs and territorial waters. By long standing convention, the U.K. Government does not legislate for the Island except with the specific consent of the Island's Government. The High Court of Tynwald is the Parliament of the Isle of Man, is over 1,000 years old and is considered to be the oldest Parliament in the world with unbroken existence.

Taxation

The Isle of Man has its own income tax and customs and excise framework and is independent from the United Kingdom in respect of direct taxation. Income tax is low, with the standard rate being 10% and higher rate of 18% and an individual's personal tax liability is limited to £100,000 irrespective of income generated.

There are also no stamp duties, capital gains tax, wealth tax, capital transfer tax, inheritance tax or death duty imposed in the Isle of Man.

There is a **zero per cent tax rate** for companies and no capital gains tax, inheritance tax, stamp duty (including on share transfers) or stamp duty land taxes.

VAT

The Isle of Man benefits from a special relationship with the European Union which allows the streamlined movement of goods between the Island and the Union. The Isle of Man is the only offshore financial centre where zero tax rate companies may operate within the European Union VAT system and trade freely within the European Union.

The Economy

The Isle of Man economy has seen 25 years of continued economic growth averaging 6% over the last decade with GDP 113% of the UK average and the Island's Government has positively encouraged economic growth in recent years by creating a favourable tax regime and suitable legislative framework for expansion.



Reputation

The Isle of Man is an established and respected international finance centre, built on political and fiscal stability, low taxation and a fully supported modern infrastructure.

It has over the last few years concluded Tax Exchange Information Agreements with countries such as the US, UK, France, Germany, Australia, New Zealand, Sweden, Denmark, Norway and Finland and in doing so has enabled the Isle of Man to be included in the OECD's '[white list of cooperative tax havens](#)'. The 'white list' includes nations that have applied the internationally agreed tax standard developed by the OECD which has been endorsed by the G20 and by the UN Committee of Experts on International Cooperation in Tax Matters.

The endorsement of the Isle of Man as a leading finance centre has also been evidenced by Standard and Poor's and Moody's sovereign rating of "AAA", the highest rating awarded.

Purposes of Isle of Man and Offshore Companies

Isle of Man incorporated companies are often utilised for various legitimate purposes and taking advantage of the zero rate of corporate tax in the Isle of Man, which in turn benefits:

- International trade
- Investment and property ownership
- Intellectual property rights registration and ownership
- E-business / e-commerce operations
- E-gaming facilities
- Yacht and aircraft ownership
- Asset financing
- Venture capital and funding
- Lease operations
- Succession planning and asset protection



Our Services

We offer a comprehensive range of services on a personalised basis to cater for all aspects of company formation and management of Isle of Man companies including:

- Formation of Isle of Man companies (and other jurisdictions if required)
- Provision of a registered office
- Provision of resident company directors including a corporate director
- Company secretarial services
- Provision of a Registered Agent (for 2006 Act companies)
- Nominee shareholders arrangements
- Preparation and submission of compulsory documents with authorities, such as annual returns
- Application for VAT registration and completion and submission of VAT returns
- Bookkeeping and preparation of financial statements
- Tax preparation and submission of annual tax computations including returns for individuals or corporate entities
- Payroll facilities
- Serviced office facilities



Isle of Man Company Law

Isle of Man company law has for a large part followed the English and Welsh company law equivalent and the numerous Companies Acts from 1931 to 2009 ("1931-2009 Act Companies") have modelled themselves on this.

In order to compete in an expanding global marketplace, the Isle of Man Government introduced new corporate legislation in 2006 with the introduction of the Companies Act 2006 "2006 Act Companies", (also known as the "New Manx Vehicle" or NMVs) to complement the existing company legislation, with the 2006 Act more tailored towards flexibility and simplicity.

Companies incorporated in the Isle of Man have to adhere to the Companies Acts and regulations in force which ensures that a good standard of governance is entrenched in the running of companies from the Island.



Isle of Man registered companies are the conventional form of business entity for the purposes of conducting local and international business from the Island and enjoy numerous benefits:

- Separate legal personality
- 0% corporate tax for Isle of Man resident companies with non-Island beneficial owners
- No capital gains tax, inheritance tax or stamp duties
- Ease of incorporating an Isle of Man company (usually within 5 working days)
- No requirement to specify a company's objects in the company's Memorandum of Association and therefore is not restricted in its business activities
- Third parties take comfort from the similarities to English company law
- Nominee shareholders may be used to protect the identity of the owners

Types of Isle of Man Companies

Company Limited by Shares

Companies limited by shares means that the liability of each shareholder to creditors is limited to the amount unpaid on the shares held upon winding up of the company. The standard authorised share capital for a 1931-2009 Act company is £2,000 divided into 2,000 shares of £1.00 which requires the minimum duty payable on formation to the Isle of Man Financial Supervision Commission of £130.00. For 2006 Act companies there is no requirement for an authorised share capital and the amount payable to the government on formation is £190.

Protected Cell Company (PCC)

This is a company that is a legal entity in its own right with the benefit of segregating and protecting its assets in separate cells. Under the 2006 Act this type of company can be used for any purpose whereas under the 1931-2009 Act, business is restricted to insurance or certain types of collective investment schemes.

Public Company (PLC)

A PLC can offer shares or debentures to the public. The 2006 Act does not distinguish between public and private companies; however the 1931-2009 Act provides that PLCs must adhere to the relevant legislation including ensuring that annual accounts are audited.

Limited Liability Company (LLC)

An LLC is a type of company which has a corporate personality and limited liability but is taxed in similar manner to a partnership with each member paying tax on their share of the LLC's profits.

Hybrid Company/"Manx Foundation"

This type of company has both a share capital and is limited by guarantee, often used as an alternative to a trust and is available under both Acts. Members can be shareholders or guarantors. This type of entity provides for a "quasi trust" structure, for example shareholders can be settlors and guarantors can be beneficiaries.

Benefits of using an Isle of Man Company

- The benefit of a zero tax rate for companies
- No capital gains tax, inheritance tax or stamp duties
- The Isle of Man has been confirmed as not being included in the OECD's 'black list of non-cooperative tax havens' and indeed has made it onto the OECD's 'white list'
- The Isle of Man's reputation as an offshore jurisdiction, which has been reinforced by Standard and Poor's and Moody's "AAA" rating An Isle of Man company can be formed within 5 working days
- There is no requirement to specify a company's objects in the Memorandum of Association so a company is not restricted in its business activities
- Isle of Man company law is based on English company law thereby providing third parties such as banks, with comfort when dealing with Isle of Man companies
- An Isle of Man company can be listed without prior regulatory approval, in contrast to some other jurisdictions





The Next Stage

We would welcome the opportunity to assist you or your client with their corporate formation requirements. Please feel free to contact Lee or Michelle:

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Our Philosophies and Approach

We believe that *quality service is a right* that should be expected...the service we provide is the service we would expect to receive ourselves.

We believe that work performed should be of the *highest standard and without compromise*.

We believe that that the fee for our work should be *fair, realistic and transparent*.

Our services are wide ranging and are individually tailored towards meeting a client's requirements whilst our flexibility allows us to offer a personal and proactive service. At all times we listen and take account of the client's needs and cater our services specifically towards them by carefully liaising with the client or their advisers.



About Us

Corporate Options, Relocation Options and Financial Options are trading names of Chase Financial Services Limited which is registered in the Isle of Man No. 084203C and licensed by the Isle of Man Financial Supervision Commission to provide corporate services and to carry on investment business. Chase Financial Services Limited is registered with the Insurance and Pensions Authority in respect of general business.

Corporate Options, Relocation Options and Financial Options are independently owned family businesses based in the Isle of Man and offer a comprehensive range of both domestic and international financial services including company formation, corporate management, Isle of Man relocation services, mortgage, investment and pension advice, life assurance, health protection, Isle of Man tax planning, savings advice and medical cover.