

Why the Isle of Man?

Over more than 25 years the Isle of Man has sustained unbroken, positive economic growth. This has allowed it to develop into one of the world's leading international financial centres offering:

- A clear and simple tax system that encourages the creation and preservation of wealth.
- Economic stability and security as a highly regulated AA+ rated jurisdiction.
- A comprehensive, world class infrastructure of local and international law, accountancy and business services firms.
- Excellent public/private sector co-operation.

A clear and simple tax system that encourages the creation and preservation of wealth:

- 0% corporate tax on most types of income.
- No wealth, inheritance or capital gains taxes or stamp duties and no transfer pricing arrangements.
- Requirement for the annual filing of an Income Tax Return but not for the filing of accounts.
- The Isle of Man now has a total of 30 Tax Information Exchange agreements (TIEA's), including five Double Tax Treaties (DTA's).
- The Island is included on the OECD 'white list' of countries complying with the global standard for tax co-operation and exchange of information.
- Tax incentives and grants for businesses relocating to the Isle of Man.
- Customs and Excise Entry Processing Unit (EPU) for electronic clearance of non EU goods into the UK without the need for the goods to physically travel to the Isle of Man.

Economic stability and security as a highly regulated AA+ rated jurisdiction:

- The Isle of Man can offer a jurisdiction that is AA+ rated by both Standard & Poors and Moodys.
- Regulatory bodies in the form of the Financial Supervision commission and the Insurance and Pensions Authority.
- The Isle of Man has been recognised as the 'leading offshore centre' in the City of London's second Global Financial Centres Index (September 2007) and has won Best International Finance Centre Award five times out of the seven years to 2010.
- The Isle of Man is one of the most preferred locations for non-UK companies wishing to incorporate when listing on the London stock Exchange's Alternative Investment Market (AIM). For instance, 75% of the Indian companies listed on AIM are incorporated in the Isle of Man. Research carried out in 2010 by Hemscott, shows that the Isle of Man has the largest number of non-UK AIM top 100 companies. The Island has a 16.3 % market share, and now has the highest number of non-UK AIM companies registered.
- The Isle of Man's Ship Register has been named one of the best registers in the world after emerging with no potential negative performance indicators in the 2010 Shipping Industry Flag State Performance Table, an annual exercise undertaken by leading ship owner groupings.
- The Isle of Man now has the fastest growing offshore aircraft register in the world.
- The Isle of Man has recently been accepted as an 'approved jurisdiction' for the purposes of the listing of its companies on the Hong Kong Stock exchange. This important recognition has been achieved on the basis that the Isle of Man has been able to demonstrate equivalence in its standards of investor and shareholder protection to those available under Hong Kong company law, a further prerequisite being that the Isle of Man is a full signatory to the IOSCO Multilateral Memorandum of Understanding.

***A comprehensive, world class
infrastructure of local and international
law, accountancy and business services
firms:***

- The Island offers a highly developed infrastructure to support individuals and corporations in their global activities. It is possible to access a complete range of world-class banking services on the Island thanks to the significant presence of some of the world's most respected international and UK banks. Currently there are 41 banking licences and a total bank deposits stand at £51.95 billion (31st December 2009).
- The Isle of Man has world-class telecommunications and power networks to ensure first-rate communication facilities and the very latest internet hosting technology. Manx Telecom was the world's first operator to launch 3.5G mobile broadband.
- The Isle of Man's location within the British Isles means that it benefits from both English as a first language and Greenwich Mean Time, both significant advantages when dealing with international companies.
- In addition the Island enjoys excellent transport connections through regular daily flights to various cities in the United Kingdom and a daily ferry service.

Excellent public/private sector co-operation:

- The Island offers easy access to key decision-makers within government, whether Ministers or senior officials. Change can be delivered far faster than in large jurisdictions.
- The Island's government offers generous grants to businesses relocating to the Isle of Man and is willing to engage with businesses to understand their needs.
- The Isle of Man was ranked 4th "Most Business Friendly" area in fDi's European Regions of the Future 2008/09.

Contacts

If you would like to discuss any of these issues further, please get in touch with your usual PwC Isle of Man contact or any of our tax specialists set out below:

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