

## **AIM MARKET TAKES ISLE OF MAN TO NEW HIGHS.**

By Brian Donegan, Business Development Manager for Funds, Isle of Man Finance

The Isle of Man is officially<sup>1</sup> recognised for the important role it plays by providing global companies with a gateway to the City of London's thriving capital markets especially the AIM market. International companies are choosing to list on AIM via an external domicile of incorporation.

Indian and Chinese companies in particular find the Island's favourable regulatory and fiscal environment an attractive proposition when seeking to list on AIM and subsequently select Isle of Man incorporation.

The Aim market has been and continues to be a great success story for the Isle of Man financial services industry. Our sustained and coordinated Isle of Man Finance campaign to brief and raise awareness levels to the City of London based lawyers and nominated advisor community has paid dividends. (Isle of Man Finance is the promotion arm of Government Treasury)

The success factors for the Isle of Man are the high quality and certainty of our fiscal, regulatory and legal environment combined with the strength and quality of our professional infrastructure i.e. the Isle of Man's Accountants, Lawyers and Corporate Administrators.

When all companies listed on AIM are taken into account the number incorporated in the Isle of Man totals 46 (as of May 2007) with an overall market capitalisation of £7.5bn. There is a clear trend in choosing the Isle of Man as a preferred incorporation jurisdiction and this trend will continue to represent a key growth area for the Island. A new survey by Hemscott, a leading international provider of high quality business research examined the top 100 non-UK companies currently listed on AIM and found that 15 were incorporated in the Isle of Man – more than twice as many as second place Bermuda and third placed Canada.

London is now seen as the number one financial centre in the world. A huge amount of capital is flowing into the City seeking access to capital markets and the Isle of Man is being used increasingly as the jurisdiction of choice to gain access to these markets.

The Isle of Man is currently ranked first by Hemscott for law firms by a number of AIM 100 clients attracted by the Island's quality financial services and strong economy. Growth is currently estimate at around 8 per cent in real terms and the Island's economic base is diversifying into a range of specialist sectors, such as aerospace, e-commerce, engineering, manufacturing and construction, as well as the Island's core financial services sector which accounts for 39 per cent GDP.

One of the biggest attractions for blue chip business is the Isle of Man's triple 'A' credit rating from both leading agencies Moody's and Standard & Poor's – a status it has

---

<sup>1</sup> 2007 survey by Hemscott, an international leading provider of financial data and investor relations services

maintained since 2002. The international standard provides would-be investors in the Island with the confidence that they are dealing with a quality jurisdiction with sound economic and financial management policies, and represents a clear competitive advantage for the Isle of Man over other locations.

The Isle of Man is now one of the most success economies in Europe, currently experiencing its twenty-second year of continuous growth and virtual full employment. Government revenues have increased by £100 million over the past five years and the Island's national income per head is over 20 per cent above the average for the 15 leading EU economies.

Over recent years the footprint of the AIM Market has expanded; it is no longer the preserve of speculative UK technology companies looking for fairly high-risk development capital. There are now more companies admitted to the AIM Market than are listed on the Main Market. Most of this growth has come from the influx of overseas-based businesses for which the lighter regulatory touch and increasing liquidity have been attractive, but the explosion of pure investment vehicles admitted to trading on AIM has also been a major contributory factor. Such vehicles are often established in international financial centres such as the Isle of Man in order to minimise the impact of taxation on the performance of the vehicle itself.