

## **The Isle of Man offers packages to attract the best!**

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For those of us who already live and work in the Isle of Man, the Island's attractions are self evident. However, the majority of people, in global population terms, have yet to discover the significant benefits of making the Island their home and principal place of business. News of our Island is spreading and more people, particularly wealthy people, are giving us a closer look.

A quick glance at the financial pages of many publications reveals that the tax landscape of the UK is shifting once again. The outcome, predictably, is that some of the UK population are on the verge of having to pay more tax. This is as a result of a tightening up of the rules applied to resident non-domiciles and to capital gains tax. The UK has long been considered a "tax haven" by many of the world's wealthiest people. Presently, the resident non-domiciles that have contributed to the UK's prosperity are anxiously waiting to hear how the new rules, outlined in the recent Pre-Budget report, will affect them. Many of London's finest brains are lobbying the UK Government to try and modify the proposals and limit the extent of the rules. This is contributing to a significant lack of clarity. This lack of clarity has convinced many people that the benefits and attractions that they took for granted when living in the UK are now substantially diminished. Whilst some people will continue to live in the UK under the new rules, some are looking for viable alternatives. Enter the Isle of Man!

The Crown Dependencies (Isle of Man, Jersey and Guernsey), have long enjoyed strong connections with this group of people. They have tended to keep their assets in the Crown Dependencies as part of a legitimate tax planning exercise. In the light of the recent change of approach in the UK, they may be interested to know that the Isle of Man welcomes them as well as their assets!

The Isle of Man does not have any capital or wealth taxes, only income tax at the rates of 10% and 18% together with generous personal allowances and reliefs. In 2006, the Treasury Minister Hon. Alan Bell MHK, introduced far-sighted changes to the Island's taxation system. These included the zero rate of corporation tax for all companies (except banks and Manx property developers) and a personal tax cap of £100,000 per individual. This is part of a wider economic strategy to attract high value added businesses and the entrepreneurs behind them. This has resulted in new businesses establishing themselves here. The Island is a perennial favourite for those engaged in International Financial Services businesses such as hedge funds, banking and fiduciary sectors. It is also attracting attention from those involved in information technology and hi-tech manufacturing. To increase the Island's attractiveness the Treasury and the DTI offer a range of support services together with grant schemes. This reflects the Government's approach of working with business to achieve prosperity.

The Island has plenty of space (it is the largest of the three Crown Dependencies) together with no barriers to entry for EU citizens. Under Protocol three of the Treaty of Accession, it enjoys freedom of movement of goods and people throughout Europe and is part of the European VAT network. Its' communication links are excellent with a huge and robust data carrying capacity. This combines well with excellent air links

(Manchester 40mins; London 75mins) and sea links. It is entirely possible to run a global business from the Island and indeed many people already do! With beautiful countryside, low crime levels and a strong sense of community, the quality of life on the Island is excellent. Whilst low tax may attract people initially, it is always the quality of life that confirms their decision to make the Island their home.

So, as we in the Isle of Man look across the water to the UK and note the widespread concern being expressed over the new tax proposals announced in the Pre-Budget report, we can consider our "product." It is now competing directly with London as a base for high value added business such as financial services and IT. Moreover, it competes very effectively for the entrepreneurs behind these businesses. If you are watching the UK's tax changes with concern, why not come and speak to me at the Isle of Man Government to discover how much better off you could be in the Isle of Man?