

Isle of Man

# Financial Review

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## Island given clean bill of health by IMF

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- Appleby enhances global reach
- Space tourism company established
- Carey Group launches Fund Business



**Isle of Man**

Giving you Freedom to Flourish

## New Zealand tax deal

The Isle of Man's strategy of striking bilateral tax agreements with other jurisdictions continues to seek out new partners. The latest TIEA (tax information exchange agreement) has been concluded with New Zealand.

This follows DTAs (double taxation agreements) with EU member states Belgium and Estonia earlier in the year. The Island is acknowledged internationally as being at the forefront of tax co-operation, a fact that helps build its strength as a quality international business centre. Treasury Minister Allan Bell believes the latest agreements will lead to further political, economic and cultural ties.

The New Zealand deal is the seventeenth that meets OECD standards on international tax transparency and co-operation. The official signing ceremony was held at New Zealand House in London. Mr

Bell represented the Isle of Man Government and New Zealand was represented by its UK High Commissioner Derek Leask.

The two-part package comprises a TIEA based on the OECD model for the exchange of tax information and an agreement for the allocation of taxation rights over certain income of individuals and establishing a mutual agreement procedure in respect of transfer pricing adjustments.

Mr Bell said: 'Part of the Isle of Man's economy is based on financial services, and it is vital such financial services operate to the standards required by the global economic community. The Isle of Man has been



Treasury Minister Allan Bell MHK

committed to the OECD standards of transparency and effective exchange of information for tax purposes for over eight years.'

A DTA, such as those signed with Belgium and Estonia are benchmark agreements between countries to remove double taxation obstacles to the development of economic relations, and so facilitates the exchange of goods and services and movements of capital, technology and people. It will also act to prevent tax evasion, and delivers the OECD agreed international standard on tax transparency and exchange of information.

## Island's economy still growing despite global downturn

According to latest indications, the Isle of Man's economy appears to be surviving the worst of the global downturn by remaining in growth.

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The most up to date official figures, referring to 07/08 GDP, show that the economy in that year grew by 7.5 per cent in real terms. This more or less aligns with what the Treasury was expecting. The central planning assumptions had growth anticipated at 8 per cent. These same assumptions anticipate growth for 08/09 to have been around 4.5 per cent, and project for the current year growth of 2.5 per cent.

These are the best indicators yet that the Isle of Man is well placed to avoid recession and maintain its record of more than two decades of continuous economic growth.



## ■ International News

# Finance centre given 'clean bill of health'... IMF sends message of confidence to Isle of Man Investors

The International Monetary Fund – the most authoritative voice on world financial affairs – has given the Isle of Man 'a clean bill of health' with commendations for both the Financial Supervision Commission and the Insurance and Pensions Authority for the way in which they oversee the Island's finance sector.

Most importantly for investor confidence, the IMF says 'stress tests' confirmed the Isle of Man's banking system exhibits limited exposure to market shocks: 'The results indicate a very sound level of capitalization, which is encouraging.' Similarly, the insurance sector is found well regulated with 'considerable resilience against shocks'.

The report also commends the coverage provided by the Isle of Man's Depositors' Compensation Scheme, noting that it is 'unusually extensive for a small, internationally-orientated jurisdiction.'

The IMF team visited the Island last year as part of an international programme of inspections. In addition to the Island's defences against money laundering and terrorist financing, the IMF looked at the regulatory and supervisory

system, the soundness of the financial system and its ability to cope with stress situations.

### Amongst top countries

The report concludes that the Island's financial services regime operates 'a high level of compliance with global standards of regulation and supervision.' This includes measures taken to combat money laundering and terrorist financing, moves the IMF says demonstrates the Isle of Man is amongst the top countries in the world in terms of implementing the recommendations of FATF - the global Financial Action Task Force.

It goes on: 'Finance sector regulation and supervision are generally of a high standard, and supervisory efforts are concentrated in those areas most relevant to the activities of the financial institutions on the Isle of Man.'

'The mission conducted detailed assessments of observance of the Basel Committee Core Principles for Effective Banking Supervision (BCP), the International Association of Insurance Supervisors Insurance Core Principles (IAIS ICP), and the FATF 40+9 Recommendations on AML/CFT. The Isle of Man level of observance of these principles is high in terms of laws and regulations, supervisory implementation, and the practices of financial institutions.'

### Supervisors commended

The IMF says the Isle of Man has maintained and improved on the generally high standard of compliance with international core principles, which was noted in the previous assessment in 2003. The IPA is commended for its proactive stance in establishing and enforcing high standards for supervision, which have contributed to 'the maintenance of

the Isle of Man's good reputation as an international financial centre.'

The report continues: 'The Isle of Man has well-defined, transparent and effective policy, legal and institutional frameworks for insurance business and access to well-functioning financial markets. The jurisdiction benefits from the good availability of professional services locally and through access to the resources of major practices in the United Kingdom and elsewhere.'

'The IPA is well-apprised of the importance of exchanging information with other supervisors, particularly given the significant presence of international groups on the Isle of Man.' And it concludes: 'The IPA conducts its functions in a transparent and accountable manner.'

### 'Serious responsibility'

The report goes on to note that the Isle of Man authorities take their responsibilities in respect of international co-operation seriously and adopt 'an overall constructive approach to all appropriate mutual legal assistance requests.'

Chief Minister Tony Brown said the latest IMF report provided a comprehensive, independent and expert endorsement of the quality of the Isle of Man's financial services regime. 'We in the Isle of Man have always worked hard to achieve a high level of compliance with international standards and will continue to do so as the standards evolve.'

The IMF report shows a level of compliance with the FATF recommendations to combat money laundering and the financing of terrorism that puts the Isle of Man in the upper levels of the 106 countries that have been assessed so far.

# Isle of Man merger gives Appleby widest global reach

The October merger of leading offshore legal, fiduciary and administration services provider Appleby with one of the Isle of Man's largest law firms Dickinson Cruickshank, is viewed by both firms as producing a dramatic expansion of their international reach.

The move also marks the arrival of the first global offshore law firm to establish on the Island. The combined operation will operate under the Appleby banner to emerge as the offshore law firm with the widest jurisdictional reach. It will now have eleven offices worldwide covering Bermuda, the British Virgin Islands, the Cayman Islands, Jersey, Mauritius, Hong Kong, London, Zurich, Bahrain and the Seychelles as well as the Isle of Man.

## Top ranking

Established in 1899, Dickinson Cruickshank is one of the longest established firms of advocates on the Island with a specific focus on corporate and commercial, private client, dispute resolution, property and fiduciary services. It has consistently achieved top ranking in the major international legal directories and twice been nominated as 'Offshore law firm of the year'.

The firm's commercial arm plays a dominant role in providing specialist services to foreign companies seeking flotation on AIM, the London Stock Exchange's alternative market for growing companies. It has also expanded into niche areas such as providing legal expertise to aircraft and ship management.

While the merger now firmly establishes its global credentials, the firm is quick to stress its Isle of Man roots remain undisturbed. Local services, including those involving property, wills and trusts and local litigation and dispute resolution will continue to operate as usual.

## Enhanced status

Commenting on the merger, Paul Morris, Dickinson Cruickshank's Senior Partner, said: 'We believe the merger with Appleby, as a global offshore services provider, is not only a "first" on the Island and an invaluable resource for our clients, but will also provide a huge boost to the Isle of Man's capabilities, status and reputation in the international offshore sector.'

'Appleby's global reach in the key offshore jurisdictions, its recent expansion through Mauritius and the Seychelles into the emerging markets in India, Africa and Asia, and its market leading position in international financial centres, will have a significant impact on the breadth, range and choice of services we are able to offer to our Isle of Man and international clients.'

Following the merger Paul Morris will be Local Group Head of the Litigation and Insolvency Practice, an area he believes will benefit greatly from the operation's newly combined strength: 'I firmly believe this move is not only of great benefit to our rapidly growing commercial and fiduciary arms, but also to introducing new business across the board. I'm very optimistic about the new year.'

## Compelling quality

Peter Bubenzer, Appleby's Global Group Managing Partner, was on the Island during preparations for the launch of the restructured operation. He added: 'The opportunity to merge with a firm of the size and quality of Dickinson Cruickshank was compelling for us.'

'The firm's focus on their clients' needs and their recognition of the value to clients of truly global resources as the offshore sector evolves - as well as a choice of jurisdictions and structures - mirrors our own strategic thinking.'

'The merger will position us as the leading provider of legal, fiduciary and administration services across the offshore world. Our entry into the Isle of Man market further builds our strength and depth across multiple jurisdictions providing greater resources and greater choice to our clients.'

## London presence

'In addition, Dickinson Cruickshank's London presence will strengthen our offering in the UK market. The merger will provide both firms' corporate, institutional and private clients with greater resources across the locations and time zones in which they do business and a broader choice of structures and jurisdictions, unmatched by any other offshore firm. We believe that the move will reinforce Appleby's position as the first choice for clients in the offshore sector.'

He emphasised the merger would enable Appleby to further extend the services it offers to global clients seeking high quality, sophisticated financial centres through which to invest. It follows the firm's successful opening in Mauritius in 2008, providing clients with greater access to the high growth Middle Eastern, Asian, Indian and African markets. Other new bases opened in Zurich and Bahrain in 2009 offer private banking and institutional clients in Switzerland and the Middle East access to the range of offshore centres.

Appleby's latest merger is part of a thirty-year development strategy. The firm has expanded rapidly in the last three years and now has a legal and professional staff approaching 800. It is the only offshore legal, fiduciary and administration service provider with a major foothold in the majority of the world's leading offshore business centres.

## ■ Business News

# Barclays underscore commitment to Island control base

The Island's largest commercial employer Barclays has underscored its commitment to the Isle of Man with further additions to its enhanced local team.

Barclays chose to headquarter its international banking operation on the Island in 2002 and has around 800 employees. Together with those based in Jersey and Guernsey, the offshore operation now has more than 1000 staff. The bank says the latest appointments further reinforce its commitment to the Isle of Man as its international control base.

Following the appointment of Greg Ellison as Managing Director of Barclays Private Clients International earlier this year, the company has further strengthened the Isle of Man board. Alex Freeman, Simon Scott and Karl Moore, all Isle of Man residents, have become Executive Directors. Bryan Dix from Guernsey has also joined the board as a third Non-Executive Director.

Alex Freeman has been appointed Operations Director with Simon Scott and Karl Moore Risk Director and Finance Director respectively. These appointments complement the current Executive Board of Greg Ellison, Ian Hodgkinson and Paul Savery together with Non-Executives Peter Horsthuis and Chairman Larry Keenan.

### 'Strong global bank'

Greg Ellison said: 'As we continue to tackle the challenges of the global economy, these appointments support our position as one of the strongest, independently owned banks in the world.'

'We are based in the Isle of Man which means we keep close to our clients and are positioned to recognise opportunities and to manage the risks in our business.'



Greg Ellison MD BPCI

We have an extremely strong capital base which has withstood the most extreme market stress testing by the UK Financial Services Authority and further capital tests linked specifically to the Isle of Man and offshore islands. This means that clients, organisations and the wider community can take comfort from our financial strength. Our new Directors complement this with the benefit of their considerable experience and expertise.

'Along with my existing Board colleagues, I am delighted to welcome the new Directors. They have individually contributed a significant amount to the company and the community and I look forward to seeing the benefit of their involvement in the coming months and years.'

### Enhanced expertise

Simon Scott moved to the Island six years ago to become Head of Credit Risk for BPCI. He also spent three years as Head of the Corporate team. His latest role combines his credit and corporate skills and involves leading a specialist team responsible for managing corporate clients who are experiencing difficulties and challenges in the current climate and require support and advice on business strategy and restructuring. As Risk Director, he will have

responsibility for oversight of risk across the company.

Alex Freeman's background spans various retail and operations roles in the UK, Europe, Africa and the Isle of Man. Prior to moving to the Island three years ago, he was Managing Director of Barclays in Nigeria. His role combines a detailed knowledge of customer banking and investment requirements, emerging markets and a deep understanding of operational and change management.

### Rolling review

He is also responsible for Business Execution, whereby BPCI is constantly reviewing procedures, policy and practice in order to focus on improving customer service both locally and across the globe. As Infrastructure Director he will have responsibility for Operations and Change activity across the company.

Once a student at the Island's public school King William's College, Karl Moore worked for the Nedcor Group on the Island as Group Management Accountant prior to joining BPCI as Financial Controller in 2004. He has been integral to the expansion of Barclays Wealth across both offshore and onshore jurisdictions leading the finance divisions in both Cyprus and Gibraltar. He has ensured that BPCI has remained compliant with all the recent financial and regulatory amendments. His role as Finance Director will aid all financial, statutory and regulatory matters.

New Non Executive Director, Bryan Dix, led a management buy-out of the Walbrook Group – the offshore fiduciary business owned by Deloitte & Touche - and oversaw its successful transformation into one of the leading independent trust companies before its acquisition by Barclays.

# Fairbairn Private Bank boosts London team

Isle of Man based Fairbairn Private Bank is among those operating in the City to announce some welcome good news on the economy with a major boost to its London office.

As the only offshore bank licensed by the Financial Services Authority to operate in the City of London, the operation has continued to expand since opening its new office last year. As part of this ongoing growth, the private banking team has now been further increased with the appointment of Nigel Hawkins as Senior Private Banker.

### 'Exciting time'

David Stearn, Head of Business Development, said: 'I am delighted Nigel has decided to join our London team. It is a very exciting time for the bank as we continue to expand and

raise the profile of our asset management offering in the UK. This appointment opens up new opportunities and I, along with the rest of the team, are looking forward to working with him.

'Fairbairn Private Bank has, and always will, put great emphasis on its staff which has been acknowledged when we received the highly prestigious maximum Three Star status in the UK's Best Companies business accreditation system.'

Nigel Hawkins brings seventeen years of banking and investment experience to the bank, starting with HSBC Bank PLC as a Senior Regional Manager and then moving to Coutts and Co in London. Most recently he was employed as Vice President of Private Banking for Bank of Montreal Private Bank in Canada.

### Further expansion

He said: 'This is a fantastic opportunity for me - and an interesting time to join the bank as it is enjoying significant expansion. I look forward to working with the team and taking their fully integrated, multi-currency range of banking and investment services out to the UK marketplace.'

A member of the Old Mutual Group, Fairbairn Private Bank operates a comprehensive private and personal banking operation on behalf of a wide range of clients. These include private individuals, non-trading companies, trusts, Governments and institutional investors. A full range of banking, investment, trust and corporate services can be accessed through its offices in the Isle of Man, Jersey, London and its representative office in South Africa.

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# Maitland enhances its 'family office' team

Leading international professional services firm Maitland is significantly strengthening its family office service in response to increased demand from wealthy families.

Central to the plans is the return of Anthony Markham as partner in the Isle of Man office. He will now spearhead enhanced services to clients seeking to achieve both long-term commercial and philanthropic family objectives.

Maitland essentially offers a personalised, 'partner-led' family office service enabling international families to define their core values and strategic objectives, with confidence that their affairs are being efficiently and effectively managed. 'Every family is unique and Maitland's service provision is accordingly unique in every case,' says the firm.

Anthony Markham has more than 25 years experience as an international legal adviser and has depth of experience in managing the affairs of wealthy families and their commercial

interests, including the transition of wealth between generations. He is a founding member of Maitland's Isle of Man office, which opened in 1990. He moved to the company's London base in 2000 where he became key in-house adviser to a leading multinational family, a role he continues to fulfil since rejoining Maitland.

### 'Success story'

Colin Bird, Partner and Head of Legal Advisory at Maitland Isle of Man, said: 'The Isle of Man has always been a Maitland success story and we are delighted Anthony Markham will be returning as partner to help lead our strategy for growth. 'As the Island increases in international importance, more and more wealthy families require high quality, trustworthy advice. Anthony's depth of experience as an international legal adviser is invaluable in today's dynamic market, and the Island's flexibility provides the ideal environment to support our growing client base'.

The move will further strengthen the Island's 'holistic' approach to

providing advice and solutions to high net worth families seeking specialist expertise to manage their wealth. Resources available cover company and trust vehicles, investment, legal, banking, accountancy and taxation at an international level.

### Increased demand

John Spellman, Director of Isle of Man Finance, said: 'We are seeing a big increase in enquires from high net worth families seeking family office services, which highlights the quality of expertise and resource we are able to offer. We welcome Anthony's timely appointment to the Island during this uplift in demand. This move will further strengthen the Island's profile as a leading international business centre that offers high-quality services to the global market. 'Maitland was short listed for "Law Firm of the year" at the 2008 Spear's Wealth Management Awards which honour the achievements of those in the high net worth world and ranked as one of the Top 20 Offshore Firms by The Lawyer in 2009.

## ■ Business News

# Full orbital 'space tourism' company sets up business on Island

The Isle of Man's expanding space industry is innovative by nature and the latest to emerge is startling by any standard. Isle of Man company Excalibur Almaz has acquired several re-usable space vehicles and plans to use them to take tourists into space.



Inside Almaz

The spacecraft – known as re-usable re-entry vehicles (RRVs) - were part of a top secret Soviet programme in the 1970s and were designed to fly cosmonauts to the former Soviet Union's secret Almaz space stations. The new Isle of Man based company has purchased two of these stations as well. Apart from NASA's Space Shuttles the RRVs are the only re-usable spacecraft in the world.



Pictured are (from left to right): Alex Downie MLC, Head of Space Development, Treasury; Cosmonaut Colonel Valery Tokarev; Hon Tony Brown Chief Minister; Astronaut Dr Leroy Chiao; Art Dula, Excalibur Almaz CEO; and Cosmonaut Colonel Vladimir Titov.

## Isle of Man flag

The RRVs will sport the Isle of Man flag on their sides along with those of other countries involved in the project.

One of the spacecraft has already gone on display in the grounds of King William's College. Two Russian cosmonauts and one American astronaut were on hand to answer questions from the press and public.

Tim Craine, Director of Space Commerce, said: 'Two of the RRVs have actually flown in space but the space stations have yet to be launched. The RRV being brought to the Island is one of the capsules that has been into earth orbit twice already.'

The venture is a serious one and Excalibur Almaz boasts an extensive pool of experience amongst its company executives and advisers, including Space Shuttle astronaut Franklin R Chang-Diaz, former Johnson Space Centre Director George W S Abbey and veteran Russian cosmonaut Colonel Vladimir Titov – the first man to spend a whole year in space.

## Space registry planned

The steady increase of space related industry to the Island has prompted the Government to formulate plans for an Isle of Man Spacecraft Registry. Tim Craine, Director of Space Commerce, said: The Government is hoping to introduce legislation that will allow for the setting up of a space registry that will have similar benefits to companies as the existing ship and aircraft registries. Companies on the space register would benefit from lower tax rates and encourage new space related business to establish in the Island.'

Initially the new registry would focus on attracting satellites for registration. A large proportion of this work is currently carried out by the International Telecommunications Union based in Geneva. If approved, the Isle of Man registry would operate under licence from the British National Space Centre.



The space suit

## Carey Group launches specialist fund operation

European financial administration business Carey Group has launched a new specialist fund administration business in the Isle of Man.

The new operation, Carey Commercial (Isle of Man) Limited, is led by Kevin Doyle and Robert Quane, two experienced Directors in both the alternative and traditional fund administration industry.

Carey Commercial will provide dedicated fund services to private equity, alternative asset and property funds, as well as fund of funds and other collective investment vehicles.

A comprehensive offering will guide

clients through the initial concept stage to launch with an ongoing regular service delivery of quality reports and prompt service to customers.

### 'Core values'

Kevin Doyle, Managing Director, said: 'We have experienced and dedicated people working in partnership with clients building strong relationships and a return to core service delivery values.'

'We recognise the need for robust yet adaptable solutions in order to deal with rapid changes in the expectations of investors and asset managers operating in new market conditions where transparency, timely and

accurate reporting are key to confidence.'

The Isle of Man office will work with the other Carey Group offices in key fund locations, such as Luxemburg and Guernsey, to allow multi-jurisdictional structures to be administered cost effectively.

### Excellent opportunities

Kevin McAuliffe, Executive Chairman of Carey Group, added: 'We are delighted to announce this development as part of the continued growth of the Group. We believe the Isle of Man offers excellent growth opportunities as a fund administration centre.'

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## Caledonian expands further into specialist market

Caledonian has strengthened its Isle of Man team in order to target the international alternative investment markets.

Caledonian Fund Services (Europe) Limited has appointed Colin Stott as Marketing and Business Development Manager with primary responsibility to develop Caledonian's business in London, Europe and globally. Mr Stott has extensive background in financial services including fourteen years with HSBC, the past five working in a similar business development role.

He said: 'I am obviously pleased with my appointment and excited to resume working with a smaller, more nimble organisation, and one that is committed to maintaining and

expanding its presence in the Isle of Man.'

'Caledonian has a young and dynamic team, together with best in class technology, comprising Advent Geneva, ManTra and Paladyne, so the platform is definitely in place for growing the business here on the Island.'

At the same time, colleague Melanie Pugh steps up from a supervisory role in the same department to become Manager – Investor Services. She has been with Caledonian for two years, having previously worked for IFG.

Managing Director Gordon Wilson added: 'We are delighted that Colin has joined Caledonian and we are confident he will play a significant role in delivering our plans for growth.'



■ Business News

# Brazilian jet arrival marks EU 'first'

The Isle of Man's Aircraft Register has marked another significant stage in its expansion with the arrival of the first European registered Embraer Phenom 100 jet which landed at Ronaldsway Airport after flying from Sao Paulo, Brazil.

The Brazilian built luxury private jet bears the memorable registration M-INXY - and is owned by local company Midland Aviation Limited. The complex arrangements for the importing, registration and corporate ownership of the new aircraft were all handled by various parts of the ICM Group, including ICM Aviation and Inter-Continental Management Limited.

Mark Byrne, Group Director, said: 'It's always a special occasion when one of our managed holding companies' aircraft or yacht arrives on the Island, but in a year when we are celebrating our own twenty-fifth anniversary it's an extra special occasion. We are also delighted that it has proved a European first for the Island in an area where we are rapidly becoming known as world leader.



The Isle of Man registered jet arrives safely from Sao Paulo

## 'Unprecedented interest'

'We have seen unprecedented interest in aircraft registration in the Isle of Man and attracting this latest aircraft is yet another feather in the cap for the superbly managed Isle of Man Aircraft Registry.'

In the two years since its launch, the registry has attracted over 136 aircraft that now bear the 'M' prefixed registration. Director of Civil Aviation, Brian Johnson, added:

'This latest registration highlights the benefits of the Isle of Man registry. Our strategy has always been to offer a cost-neutral service to make the registration and other

related services significantly cheaper than those of most other national registers.

'As a Government initiative, this encourages new business and employment opportunities for the Island's banks, legal and insurance firms. But it's not simply a matter of saving money - not only is our process highly competitive, it is also convenient, flexible and follows the highest international safety standards.'



Isle of Man Ronaldsway Airport, Castletown

# Isle of Man 'remains extremely desirable place to do business' since G20 White Listing

The Isle of Man's enhanced status on the world financial stage following its inclusion on the G20 'White List' has given the industry a substantial lift in the international arena.

The Island has consistently worked towards developing an international centre of excellence and is committed to international standards on tax transparency which has been an integral component designed to strengthen financial stability. The move to automatic exchange of information under the EU Savings Directive is a further demonstration of the Isle of Man's lead role in this area.

Global fiduciary services provider ILS chose to centre its corporate and trust activities in the Isle of Man almost two decades ago. Its global reach covers a hugely diverse and widely spread client base through Eastern Europe, India, Australia and the US. The company's Chief Executive Chris Eaton explains why the G20 decision reinforces the Isle of Man's central business strategy:

'The inclusion of The Isle of Man on the G20's White List reinforced the Island's long held position that it is not necessarily the rate of tax that marks a jurisdiction out as being "good" or "bad" in the eyes of the supra-national bodies, but the extent to which any particular jurisdiction is willing to engage with the wider world and commit to an appropriate level of transparency in their own internal and international dealings. The fact that neither of the Island's recent tax initiatives – the 0% corporate tax rate and the £100K tax cap on individuals – prevented the Island from being embraced by the G20 as "substantially compliant" with internationally agreed tax standards handsomely demonstrates this.

So where now for the Island? Achieving White List status is not a means to an end in itself and should be seen as little more than a step

along the way to continued acceptance by our various neighbours and trading partners. The G20 and other supra-national bodies, constituted in the main by the large high-tax jurisdictions in Western Europe and North America, will continue to move the goalposts for all the smaller island nations such as the Isle of Man in a further attempt to reduce what they consider to be "tax leakage" from their coffers. The Island will need to have a clear strategic course planned for the months and years ahead in order to maintain its competitive position and to ensure, as far as one is able, that any unpredicted moves by the G20 or others can be responded to in a timely and appropriate manner without undoing the good that has gone before.

This will mean that the business landscape of the Island will continue to change for the foreseeable future, and those offering international services from the Island will need to continue to re-engineer their businesses accordingly to take advantage of these changes. At ILS we have already identified a client profile that has been in transition for the last few years. Fewer and fewer private clients, particularly those from within the EU, are coming to us for structuring and asset protection vehicles. However, they are being replaced by what we call "international corporates"; companies which may not (yet) be big enough to seek a listing, but which are more than merely an individual's alter ego. These international corporates are seeking a location from which they can operate their global business with certainty as to tax treatment and transparency and respectability as far



Douglas Head

as their location is regarded by their trading partners. For so long as the Island continues to follow its strategy of transparency and executes further TIEA's and DTA's, I believe that we will see more and more of these sorts of businesses migrate or establish in the Isle of Man. To the extent that these operations are generally quite active they generate substantial fees not only for the CSP sector, but also for the legal and accounting sectors and the banking community, and to this extent they probably represent a more valuable client base for the Island than the private clients they seem to be replacing.

As I've said, the White List inclusion of the Island is not an end in itself, but it is a significant milestone along the road that the Island has been travelling for some time; and one which the Island needs to continue along. If the results of the changing landscape continue to bring success to the Island as have the changes to date, then those that are willing to adapt will regard the Island as an extremely desirable place from which to do business.'

## Local News

### Promoting e-gaming at major expos

The Government has organised a series of trips to high profile conferences to further promote the Island's expanding e-gaming industry.

These include the EIG expo in Denmark in September and the January GEi (ICE) in London's Earl's Court. Future trips are planned to the Betting Show, Asian I Gaming Expo and Gaming Executive Summit.

Companies represented include Amber Business Limited, ILS, Equiom Trust Company, Paragon, Hamblin, Neovia, Manx Telecom, Domicilium, Skanco, Intelligence, MannBenham, PDMS and Counting House IOM Ltd. There are currently 16 licence holders based in the Isle of Man.

Garth Kimber, the DTI's Head of E-Gaming, says the sector grew by 30 per cent last year, accounting for the creation of around 460 quality jobs. The industry is expected to produce another 100 posts during 2009. The total benefit to the economy in 2008 was £91 million, a figure expected to rise to £118 million by the end of this year.

## Stop Press...

### New Companies (Amendment) Act 2009 in operation from 1 September 2009 - F.S.C. Press Release

The Financial Supervision Commission ("the Commission") has announced that the Companies (Amendment) Act 2009 ("the Act") will come into force on **1 September 2009**.

A copy of the Act can be purchased from the Tynwald Library or can be found on the Commission's website at <http://www.fsc.gov.im/doclibrary/legislation.xml>. The Commission does not accept any liability for any loss or damage caused to any person relying on any information or omission in this notice.

## Raising flag profile in Japan

The Isle of Man Ship Registry has continued to target the Japanese market with trips to prominent maritime events, including the Bari-Ship Maritime Fair and Marine Money's Tokyo Ship Finance Forum

The registry achieved a significant milestone last year when it took on its first Japanese-owned oil tanker, 'Atlantic Explorer,' a 59,000GT Aframax owned by Mitsui OSK Lines. The 335 metres, 110,000 tonnes vessel

was built at the Mitsui Shipyard in Chiba. Japan is hugely important to international shipping as it continues to maintain significant ownership of the global fleet. During the trips Dick Welsh, Registry Director, undertook press briefings with key Japanese business and influential shipping publications, including the Daily Maritime Press, Japan Maritime Daily, Daily Maritime Journal, Shipping and Trade News and Marine Net.



'Atlantic Explorer' - The first Japanese owned ship to sail under the Manx flag

## Local News

# Dry Planet in line for Australian award

Just eighteen months after establishing on the Island, water efficiency company, Dry Planet, is in the running for an international environmental award.

The company, headed by local entrepreneur Nigel McGowan, has been chosen as a finalist in the International Product Innovations section of the Australian Savewater awards.

'Water resources being what they are in Australia, these awards are regarded as quite a big deal there,' said Mr McGowan, Managing Director, who will attend the awards in Sydney Australia in October. 'We won't know if we have won until the night, but just to be in the running is very exciting.'

Dry Planet currently supplies more than 20 of the UK's leading water companies, including Thames Water, Severn Trent and United Utilities with its patented cistern displacement device. The Isle of Man Water Authority also promotes 'Save-a-Flush'. In fact, it is now the product of choice in many companies' water efficiency campaigns and estimated to be saving millions of litres of water every day. It also holds the Waterwise Mark in recognition of its effectiveness as a water saver.

### Overseas markets

'The company's strategy to expand into overseas markets is starting to be realised as we have seen sales in countries as diverse as Mexico and Israel during the last year,' added Mr McGowan. 'Naturally the US – where Save-a-Flush is already patented -



remains a key target market and we are currently working with a major corporate there which is looking at partnering a large-scale water efficiency campaign.' While Mr McGowan is attending the Sydney

awards, his business partner Jonathan Smith will be in Las Vegas where the company is exhibiting at this year's Watersmart Innovations show and where it will be launching two new water efficiency products.



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