



**INCOME TAX ACT 1970**

**INCOME TAX (NON RESIDENT)  
(EXCLUDED INCOME) ORDER 2006**

*Approved by Tynwald 12<sup>th</sup> July 2006*

*Coming into operation in accordance with article 1(2)*

In exercise of the powers conferred on the Treasury by section 11A(2)(h) of the Income Tax Act 1970 (a), and of all other enabling powers, the following Order is hereby made:-

**Citation and commencement**

1. (1) This Order may be cited as the Income Tax (Non Resident) (Excluded Income) Order 2006.
- (2) This Order shall come into operation on the day it is approved by Tynwald and shall have effect in respect of the income tax year commencing 6<sup>th</sup> April 2006 and subsequent years.

**Excluded Income**

2. Loan interest paid by a company incorporated under the Isle of Man Companies Acts or registered under part XI of the Companies Act 1931(b) shall be excluded income for the purpose of section 11A(2) of the Act.
3. Remuneration paid by a company incorporated under the Isle of Man Companies Acts or registered under part XI of the Companies Act 1931, to a company director for services performed outside the Isle of Man, or in order to carry out statutory functions or attend board meetings within the Island shall be excluded for the purpose of section 11A (2) of the Act.

Made this 12<sup>th</sup> day of July 2006

Minister for the Treasury

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(a) Vol. XXI p.260, section 11A(2)(h) and 11A(3)(b) inserted by section 6 of the Income Tax (Amendment) Act 2006  
(b) XIII p. 235

**EXPLANATORY NOTE**

(This note is not part of the Order)

This Order will include interest and directors' remuneration payable by a company within the definition of "excluded income" for ascertaining the liability of a non resident individual. The inclusion of interest within this definition will limit the non resident liability to the amount of tax deducted at source when the payment is made.