



Isle of Man Tax Cap “An example of Preserving Prosperity”

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Isle of Man Tax Cap Targets New Generation of Economically Active Entrepreneurs

Budget package caps personal tax at £100,000 and introduces 0% corporate taxes

- Income tax rates for all non-regulated trading companies reduced to 0%. *
- Tax cap to income tax liability of £100,000 in any one year for individuals.

On 21st February 2006 the Isle of Man Treasury Minister, Hon. Allan Bell, announced a package of measures to further stimulate the inflow of investment and business to the Island as part of his 2006 Budget speech to Tynwald, the Isle of Man Parliament.

A key component of these measures was the introduction of a 0% Corporate tax as standard, which took effect from 5 April 2006.

The new 0% tax regime is in accordance with the promised five year public taxation plan announced in 2000, which has been delivered on target, two years ahead of other UK Crown Dependencies and other competitors in the full implementation of a zero tax strategy. This is intended to stimulate inward investment by businesses establishing on the Island, and will also provide a consistent treatment across all sectors of the economy as part of the Isle of Man's commitment to a diversified economy.

The Budget also introduced a cap on personal income tax at a maximum level of £100,000 per annum, irrespective of earnings. (this is only available upon personal application)

This has attracted high-net-worth individuals and active entrepreneurs to the Island with the drive to further stimulate the Isle of Man's burgeoning economy. By making a tax system that is simple to understand and available to all, the Treasury Minister is keen to provide a competitive advantage to the Island, in line with its fiscal strategy to promote the Isle of Man as a quality business centre of international standing.

In the last ten years, its annual growth has averaged 7.4%, compared to an EU average of 2 ½ per cent. The Isle of Man is recognised as a 'category 1' jurisdiction by the Financial Stability Forum and Standard & Poor's and Moody's have awarded the Isle of Man a Triple A and AAA rating respectively.

*Not available for holding IOM property