

## Dixcart Business Centres: Serviced Offices Where and Why?

28th November 2019

Dixcart Business Centres offer extensive serviced office capacity and are ideal for companies establishing themselves in a new location. Dixcart Business Centres are located in Guernsey, the Isle of Man, Malta and the UK.

Business Centres can offer a productive work environment and a cost effective option for organisations with international interests wishing to operate from a particular location. The international arena is changing and with the implementation of anti Base Erosion and Profit Shifting legislation (BEPS) it is becoming increasingly important to demonstrate real substance and genuine activity.

### **The Issues of Substance and Value Creation**

Substance is an important factor for organisations to take into account, especially international companies seeking to establish subsidiaries in other countries. In addition new measures are being implemented to ensure that corporate tax is levied where real value creation takes place.

Companies must show that the management, control and day to day decisions concerning their activity are taken in each specific foreign jurisdiction and that the company itself operates through an establishment which provides a real presence in that location. In the event that substance and presence are not demonstrated or that no real value creation has taken place in that jurisdiction, the tax benefits enjoyed by the subsidiary company may be negated by a tax imposition in the country where the parent company is based.

### **The Benefits of Serviced Offices**

Companies setting up for the first time in a jurisdiction will require premises for the staff and directors who manage and control the business to create value in the jurisdiction.

Dixcart serviced offices provide high quality, flexible furnished accommodation together with sophisticated IT and communication systems.

A comprehensive range of administrative support and professional services are also available. These include:

- Accounting
- Business Planning

- HR
- IT Support
- Legal Support
- Management
- Payroll
- Tax Support

#### **The Dixcart Business Centre in Guernsey**

Companies and individuals in Guernsey benefit from tax advantages, which include:

- A general zero rate of corporate tax.
- No VAT.
- A personal income tax rate of a flat 20%, with generous allowances.
- No wealth taxes, no inheritance taxes and no capital gains taxes.
- A tax cap of £110,000 for Guernsey resident taxpayers on non-Guernsey source income or a tax cap of £220,000 on worldwide income.

Guernsey is an attractive location for international companies and individuals. The Dixcart Business Centre is situated in a prime location within the island's main financial district of St Peter Port. At Dixcart House there are nine fully furnished offices and each can accommodate between two and four staff. There is a general reception area and a shared kitchen, plus a boardroom available to hire.

#### **The Dixcart Business Centre in the Isle of Man**

Companies and individuals in the Isle of Man benefit from the following advantages:

- A zero rate of corporate tax on trading and investment income.
- Businesses in the Isle of Man are treated by the rest of the EU, for VAT purposes, as if they are in the UK and they can therefore register for VAT.
- There is no wealth tax, inheritance tax, capital gains tax or investment income surcharge.
- A standard rate of income tax for individuals of 10%, with a higher rate of 20%.
- A cap of £125,000 exists on an individual's income tax liability for a period of up to five years.

The Isle of Man is an attractive location for international companies and individuals. The Dixcart Business Centre is situated in a prime location within the island's main financial district of Douglas. Due to an increasing demand for services, an additional building was acquired in Athol Street. Derby House offers over 18,000 square feet of office space and has serviced offices on two floors. A number of suites are available, with each office varying in size and accommodating between one and fifteen staff. There is a shared reception and kitchen space, plus meeting rooms available to hire.

#### **The Dixcart Business Centre in Malta**

Malta's full imputation system of taxation allows generous unilateral relief and tax refunds:

- Companies operating in Malta are subject to a corporate tax rate of 35%.  
However, shareholders enjoy low effective rates of Maltese tax as Malta's full imputation system of taxation allows generous unilateral relief and tax refunds:
  - **Active income** - in most instances shareholders can apply for a tax refund of 6/7ths of the tax paid by the company on the active profits used to pay a dividend. This results in an effective Maltese tax rate of 5% on active income.
  - **Passive income** - in the case of passive interest and royalties, shareholders can apply for a tax refund of 5/7ths of the tax paid by the company on the passive income used to pay a dividend. This results in an effective Maltese tax rate of 10% on passive income.
- Holding companies - the dividends and capital gains derived from participating holdings are not subject to corporate tax in Malta.
- There is no withholding tax payable on dividends.
- Advance tax rulings can be obtained.

The Dixcart Business Centre is located in the prime area of Ta'Xbiex, close to the capital, Valletta. The building is iconic and has been faithfully restored to retain its boat like shape. It incorporates a delightful roof terrace and a unique and memorable bespoke chandelier in the reception area. An entire floor is dedicated to serviced offices. There are nine serviced offices in total, accommodating between one and nine people, and there is a kitchen and boardroom available for meetings.

#### **The Dixcart Business Centre in the UK**

The UK is a popular jurisdiction for both companies and individuals:

- The UK has one of the lowest rates of corporation tax in the western world. The current UK corporation tax rate is 19%.
- There is no withholding tax on dividends.
- The majority of share disposals and dividends received by holding companies are exempt from taxation.
- Controlled foreign company tax rates only apply to a narrow classification of profit.

The Dixcart Business Centre in the UK is located at Dixcart House on Bourne Business Park, Surrey. Dixcart House is near central London and just minutes from the M25 and M3. Train services from Weybridge serve Central London and you can be in the heart of the capital in 30 minutes. It is only a 20 minute drive to Heathrow Airport and 45 minutes to Gatwick Airport.

There are 6 meeting rooms and a large boardroom, which can accommodate up to 25 people comfortably. The space can be divided into smaller meeting rooms or a theatre style seminar space if required. There is a shared reception area and kitchen facilities specifically for serviced office clients.

#### **Summary**

Dixcart Business Centres provide businesses and individuals with a range of benefits, and are available in the jurisdictions of Guernsey, the Isle of Man, Malta and the UK. These Business Centres provide organisations with the opportunity to establish themselves in an additional jurisdiction in a cost effective manner, and assist in meeting substance requirements.

#### **Additional Information**

If you require additional information regarding substance and the serviced offices offered through the Dixcart Business Centres, please visit our [website](#), or speak to your usual Dixcart contact or to Peter Robertson at our office in the UK: [advice.uk@dixcart.com](mailto:advice.uk@dixcart.com).