

Dixcart Isle of Man Trusts

This is a brief guide to the services provided by Dixcart Management (IOM) Ltd regarding the formation and administration of Trusts.

By **Paul Harvey**, 11th March 2026

This is a brief guide to the services provided by Dixcart Management (IOM) Ltd regarding the formation and administration of Trusts. This information is not exhaustive and each individual case will have its own considerations; as such, this document should not be considered advice, and we would recommend getting in touch via the details provided on the final page or discussing with your professional adviser in the first instance.

What is a Trust?

A trust is a legal arrangement where the ownership of the Settlor's assets (such as property, shares or cash) is transferred to the Trustee (usually one or more individuals or a trust company) to hold and manage for the benefit of third parties known as the "Beneficiaries" under the terms of a Trust Deed.

Whilst there are different types that we can cater for, discretionary trusts are the most commonly used.

Discretionary Trust Overview

- Classes of beneficiary can be named from outset and can be subject to revision in line with the terms laid out in the trust instrument.
- Trustees have complete control over the administration of the trust.
- The settlor can provide a letter of wishes which are persuasive and not binding upon the trustees.
- Beneficiaries are not automatically entitled to the trust income or assets.
- The settlor may or may not be an excluded beneficiary.

Other Trusts

- **Employee Benefit: Trusts** Employee Benefit Trusts are created by employers for the benefit of past, present or future employees, dependants and relations.
- **Purpose Trusts:** Purpose Trusts are a type of trust which has no beneficiaries and exists for non-charitable purposes.
- **Will Trust:** Will Trusts come into effect on death for the benefit of stipulated classes or individual beneficiaries.

What are the Main Reasons for Establishing a Trust?

Preservation of Wealth

Entrusting a Trustee with legal title to the assets prevents the ownership of the assets being diluted by successive generations, whilst allowing individuals to continue to benefit from the assets, such as a family business. As the legal title to the assets remains with the Trustee, this prevents the dilution of ownership that would occur if the assets were distributed from the original owner to second and third generations.

Asset Protection

The Isle of Man offers a secure and stable political environment in which to hold assets and protect them from strategic risk. In addition, a trust can offer protection from creditors or other third parties in the country of domicile or residence of the Settlor.

Succession Planning

As the Settlor no longer owns the assets, the need to obtain probate or similar formalities on his death can be avoided. A trust is therefore an efficient vehicle for transferring the benefits of assets through generations, providing a useful tool for Settlers as part of tax and financial planning.

Forced Heirship Laws

By divesting assets during the lifetime of the Settlor, the trust will not form part of his estate upon his death, avoiding forced heirship rules which may apply under laws in the Settlor's country of residence.

Confidentiality

On the settlement of assets into a trust, the Settlor no longer holds legal title to those assets. The legal title passes to the Trustees and the right to future enjoyment can be passed to the Beneficiaries. Private trusts formed in the Isle of Man are not required to have accounts audited or to file accounts with any public body.

What does Trustee do?

A Trustee manages the Trust and the assets it holds in line with the Trust Deed (also known as the Trust Instrument) as well as the relevant Trust Acts in the jurisdiction where the Trust is registered; In the Isle of Man, examples of these are the Trusts Act

Depending on the type of Trust and its Objects, the role of Trustee can entail multiple fiduciary obligations, be very time consuming and often require some technical knowledge for proper management. Common responsibilities include:

- Management of the Trust assets (including investments, property etc.)
- Regulatory Reporting and Annual Returns
- Recording Decisions (in Minutes and Deeds)
- Working with other trustees to sign-off actions (must be unanimous)
- Identifying Beneficiaries and Managing Distributions
- Taking Tax and Legal Advice as Appropriate
- Acting with Impartiality
- Maintaining and Adhering to the Terms of the Trust Deed

Why Appoint a Professional Trustee?

There are many benefits of appointing a Professional Trustee, such as Dixcart Management (IOM) Ltd, to manage and administer your Trust. We have highlighted some of the most prominent reasons below:

- **Neutrality:** As Professional Trustee we will always act with complete objectivity.
- **Continuity:** We can act for as long as desired and do not suffer issues such as loss of capacity etc.
- **Technical Knowledge:** Our team of qualified and experienced professionals are well versed in Trusts locally and further afield.
- **Mitigating Risk:** Trusts do not have legal personality, therefore Trustees are accountable for their management of the Trust.
- **Eliminating Burden:** Easing the reporting, administration and management burdens
 - for loved ones.
- **Best Practices:** Duties will always be carried out diligently and in line with the most up to date best practices.
- **Regulated:** As a Professional Trustee, Dixcart Management (IOM) Ltd are licensed and regulated by the Isle of Man Financial Services Authority.

Why an Isle of Man Trust?

The Isle of Man is rated Aa3 stable and is an independent Crown Dependency.

Isle of Man trusts can benefit in several ways, including:

- 0% income tax for non-resident beneficiaries on all income except specific taxable sources in the Isle of Man
- 0% Capital Gains Tax
- 0% Inheritance Tax, Estate Tax & Gift Tax
- Uncapped accumulation of income
- Privacy and confidentiality - no public record

- Ability to appoint a 'Protector' (e.g. a trusted adviser).

Subject to the nature of the income and/or gains received by the trust from non-Isle of Man sources and the assets comprised in the trust, it could become liable to taxation in another jurisdiction and appropriate advice may be required to determine if tax arises in such circumstances.

Working with Dixcart

At Dixcart, we have been providing Corporate & Trust Services and guidance for over 50 years; assisting clients with the effective structuring and efficient administration of Trusts, Foundations and Companies tailored to their individual objectives.

Our in-house experts and senior employees are professionally qualified, with a wealth of experience; this means we are well placed to support and take responsibility for different roles, including acting as Trustee, Protector and providing specialist consultancy services where appropriate.

We have developed an extensive range of offerings, which includes providing full Trust administration and Trustee services to Isle of Man Trusts. From planning and advice to the day-to-day administration of the Trust and troubleshooting issues, we can support your goals at every stage.

Get in Touch

If you require further information regarding the formation, administration or provision of professional Trustee services for an Isle of Man Trust, please feel free to get in touch with the team at Dixcart: advice.iom@dixcart.com.

Dixcart Management (IOM) Limited is licenced by the Isle of Man Financial Services Authority.