Why Use an Isle of Man Company? What you need to know

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By **Paul Harvey**, 25th January 2023

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Depending on the circumstances, the Ultimate Beneficial Owner (UBO) and their adviser can utilise Isle of Man companies in everything from corporate structuring and asset protection to wealth and estate planning. The Isle of Man company delivers a tax efficient and globally compliant solution.

In this article we highlight some of the good reasons to consider using Isle of Man companies:

- **Isle of Man Jurisdictional Benefits**
- **The Flexibility of Isle of Man Companies**
- **Re-Domiciling an Existing Company to the Isle of Man**
- **Taxation of Isle of Man Companies**
- **How are Isle of Man Companies used**
- **How Dixcart Can Help**

Isle of Man Jurisdictional Benefits

The Isle of Man is an independent Crown Dependency that holds a Moody's rating of Aa3 Stable, as at 26 May 2026, in line with the UK's current rating. Companies registered in the Isle of Man benefit from the business-friendly Government, legislative environment and locally set tax regime.

Headline rates of taxation include:

- 0% Corporate Tax, in the majority of cases
- 0% Capital Gains Tax
- 0% Inheritance Tax
- 0% Withholding Tax on Dividends

- Isle of Man companies are able to register for VAT, and businesses in the Isle of Man fall under the UK's VAT regime.

However, the island offers more than just tax efficiency. It is OECD compliant and therefore not considered a tax haven and the local environment continues to provide world class professional services to those engaging in international wealth, corporate and estate planning.

The Flexibility of Isle of Man Companies

Isle of Man companies provide a large degree of flexibility in terms of their constitution and operation, particularly companies incorporated under CA 2006, although there can be situations where a more traditional CA 1931 company can be more attractive.

Whilst both types of company are required to maintain a Registered Office in the Isle of Man, must have a Nominated Officer etc. there is a large amount of freedom provided:

Companies Act 1931	**Companies Act 2006**
	No restrictions on trading objects
	Minimum of one Shareholder. Can be corporate.
Can have a single share, with no max. Share can hold a par value of as little as £0.01p. Can be any currency.	Can have a single share, with nc par value of zero. No thin capita any currency.
Minimum of two Directors. Cannot be a corporate.	Minimum of one Director. Can b
Company Secretary required. Can also be a Director.	Requires a Registered Agent at Agent must be is a licensed Isle
	Minimal restrictions on the management of dividends and share capital
Requirement to produced Annual Financial Statements, in line with Part 1 of the Companies Act 1982.	No requirement to produce Ann Statements, however the Comp records and it is standard pract accounts.
Subject to meeting the conditions set out in the Companies (Audit Exemption) Regulations 2007, the Members can unanimously agree to dispense of the requirement for Annual Accounts to be audited where applicable.	No requirement for Annual Accounts to be
	Minimal filing and accounting requirements

There is a requirement to hold an Annual General Meeting, but private companies can dispense with this requirement in line with the Companies Act 1931 (Dispensation For Private Companies) (Annual General Meeting) Regulations 2010.	No requirement to hold Annual

Furthermore, it is possible for a CA 1931 company to apply to re-register as a CA 2006 company and vice versa, since the commencement of the Companies (Amendment) Act 2021. This provides UBOs and advisers with ultimate flexibility with regards to the constitution of the company.

Dixcart have significant experience in assisting clients and their advisers with their corporate planning and can support them to make the most appropriate decisions regarding the choice of vehicle.

Redomiciling an Existing Company to the Isle of Man

If there is an existing legal entity, you may be able to redomicile it to the Isle of Man and reregister it under Companies Act 1931 or Companies Act 2006.

When an incorporated entity is redomiciled to the Isle of Man, the result is a continuation of the same body corporate with all of its assets, liabilities and obligations remaining i.e. it is not a new entity. However, once imported, the laws and regulations of the Isle of Man apply.

It is important to note that this process can only be undertaken if the jurisdiction that the legal entity is exiting has the required legislative framework in place.

There is a myriad of reasons why a UBO or their adviser may seek to move their company to the Isle of Man. For example, where an entity has been incorporated in a jurisdiction that was previously attractive, but has since fallen out of favour, this can make administering the company operationally difficult owing to the implicit risks of that jurisdiction.

The Isle of Man is regarded as a compliant, stable and well-regulated jurisdiction, and is therefore considered a leading international destination for business.

Dixcart are well placed to assist with the redomiciliation of all incorporated vehicles.

Taxation of Isle of Man Companies

Appropriate tax advice is essential when considering incorporating a new structure. There are many factors at play, what activity is the company carrying out? Are there Economic Substance requirements to be met? How are foreign companies treated within the UBOs local jurisdiction? Etc.

As you can see, even considering these basic questions there are a lot of things to clarify, much of which can have complex tax implications and require professional advice. Generally, the place to start will be to take advice in the UBO’s local jurisdiction.

Whilst our Isle of Man office does not provide tax advice, we have built up a network of contacts over our 30+ years of trading and will be able to make an appropriate introduction to an adviser local to the UBO.

How Are Isle of Man Companies Used?

Isle of Man companies have a huge variety of uses, and can be an option in most circumstances where the planning allows for the use of the Isle of Man. However, we predominantly see Isle of Man Companies used for asset protection and estate planning purposes.

Below we have noted some of the most common types of Isle of Man holding companies:

- **Equity Holding:** Isle of Man companies offer a great vehicle for holding participations in other companies. This can take the form of a personal portfolio of stocks and shares, or even the Isle of Man company acting as TopCo of a group of companies.
- **Real Estate Property Holding:** Isle of Man companies are often used to purchase, develop and/or generate income from Real Estate. This option is particularly attractive in circumstances where the UBOs are in a number of geographic locations or outside of the jurisdiction being invested into.
- **Luxury Asset Holding:** Isle of Man companies are often used for the management of luxury assets.

For those considering an Isle of Man company as a holding vehicle, our article Choosing the Right Jurisdiction for a Holding Company: Why the Isle of Man Remains Top of the Shortlist explores why the jurisdiction continues to be favoured for international structures.

How Dixcart Can Help

Our Isle of Man office has been providing effective structuring and efficient administration for companies for over 30 years and is well placed to assist with all Isle of Man planning.

We have developed an extensive range of offerings which can be tailored to meet the needs of clients and their advisers. Our in-house experts and senior employees are professionally qualified, with a wealth of experience, this means that, from pre-incorporation planning and advice to the day-to-day management of the company and troubleshooting issues, we can support your goals at every stage.

To see how an Isle of Man company can form part of a wider international wealth and investment structure, read our Client Case Study: International Wealth Management and Investment Structuring.

Additional Information

If you require further information regarding the use of Offshore Trusts, or Isle of Man structures, please feel free to get in touch with Paul Harvey: **advice.iom@dixcart.com**

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