

Dixcart Management (IOM) Ltd

Company Services



This is a brief guide to the services provided by Dixcart Management (IOM) Ltd to Isle of Man Companies. 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.

Why use the Isle of Man?

The Isle of Man is rated Aa3 stable and is an independent Crown Dependency. Among other things, Manx registered companies benefit from the business-friendly Government and locally set tax regime.

In addition to offering efficiency for the management of wealth, the Island also provides a great deal of privacy to inbound investors, whilst still meeting global compliance standards; earning it a place on the OECD whitelist, which means that it is not considered a tax haven.

Headline rates of taxation include:

- **0% Corporate Tax**
- **0% Capital Gains Tax**
- **0% Inheritance Tax**
- **0% Withholding Tax on Dividends**

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

Examples of Isle of Man Company Uses



Investment

Due to the local tax regime, Isle of Man companies are particularly well suited to holding assets, such as investment portfolios, luxury assets, property etc. The high degree of flexibility can enable the Isle of Man company to be used to meet many financial objectives.



Property

The Island's VAT position makes an Isle of Man company particularly attractive for holding or managing UK property, whether for purchase, redevelopment or investment. The local Customs authority are highly responsive and happy to engage on queries related to VAT registration.



Participation

Participation in other companies can be managed via an Isle of Man company. Not only does the entity benefit from the attractive rates of taxation, but also, depending on the form of company, has the ability to ringfence liability, all whilst maintaining privacy in trading matters.



Borrowing

The Isle of Man is considered a centre of excellence in delivering financial services to the international community. The Island is well known for its ties to the financial services industry, culture of compliance, modern infrastructure and statutory framework; for these reasons institutional lenders are typically more comfortable with providing services to Manx companies when compared with some offshore jurisdictions.



Isle of Man Company Formation

Isle of Man companies can be formed under one of two pieces of legislation: the Companies Act 1931 ([CA 1931](#)) or the Companies Act 2006 ([CA 2006](#)). Depending on the choice of formation, there are several distinct considerations that differentiate the two options. In this section we will examine the various similarities and distinctions.

	CA 1931	CA 2006
Incorporation	Standard incorporation occurs within 48 hours of receipt of the relevant documents to the Isle of Man Registry. For an additional fee incorporation can take place within 2 hours or less.	
Available Company Names	<ul style="list-style-type: none">• Limited• Ltd• Public Limited Company• PLC	<ul style="list-style-type: none">• Corporation• Corp• Incorporated• Inc• Limited• Ltd• Public Limited Company• PLC
Capitalisation	Can be a single share that has a par value of 1p. No thin capitalisation rules.	Can be a single share with a par value of zero. No thin capitalisation rules.
Shareholders	Only one shareholder required. Shareholders need to be recorded at the Registered Office and Companies Registry.	Only one shareholder required. Shareholders need to be recorded at the registered agent's place of business.
Nominee Shareholders	These are permitted.	
Minimum Number of Directors	Minimum of two directors. Directors do not need to be resident in the Isle of Man.	Minimum of one director. Directors do not need to be resident in the Isle of Man. Licensed Corporate Directors are permitted.
Company Secretary	Company Secretary required. Does not need to be an Isle of Man resident.	N/A
Registered Agent	N/A	Registered Agent required. Must be a licensed Isle of Man resident. Can be a CSP.
Nominated Officer	Can have a Nominated Officer. Must be an Isle of Man resident. Can be a CSP.	
Registered Office	Registered office required. Must be an Isle of Man address. Can be a CSP.	
Annual Return	There is a requirement to file an annual return.	
AGM	Requirement to hold Annual General Meetings. Private companies can elect to dispense with the AGM	No requirement to hold Annual General Meetings.



CA 1931 Accounts

Accounts must be prepared but these do not need to be filed with the Companies Registry for private companies.

Audit of Accounts

A company need not have its accounts audited if it elects for exemption and meets two of the three following criteria:

- Its annual turnover is £5.6 million or less
- Its balance sheet total is £2.8 million or less
- Its average number of employees is 50 or fewer



CA 2006 Accounts

There is a requirement to “keep reliable accounting records” which:

- Correctly explain the transactions of the company; and
- Enable the financial position of the company to be determined with reasonable accuracy at any time; and
- Allow financial statements to be prepared.

The accounting records are to be kept at the office of the registered agent of the company or at such other place as the directors of the company think fit. Where records are not kept at the office of the registered agent, the company must provide the registered agent with a written record of the physical address of the place where the records are kept and copies of the records at intervals not exceeding 12 months.

There is no requirement to prepare financial statements however any member or director of the company may at any time demand that financial statements be prepared where the company has not prepared statements for a continuous period of 18 months. Any such statements prepared, should relate to the period following the end of the financial period to which the preceding financial statements relate, or if no such previous financial statements exist, since the incorporation of the company. Originals of statements prepared must be kept at the office of the registered agent of the company.

Audit of Accounts

A company is free to appoint an auditor however where the company’s securities are listed or admitted to trade on a securities market or exchange, the company must appoint an auditor. Any auditor appointed must be appropriately qualified in accordance with the Act.



Taxation



A tax return must be prepared and filed at the Isle of Man Treasury.

All Isle of Man companies are now treated as resident companies. Resident companies are taxed at a rate of 0% on their trading and investment income. Income derived from land and property situated in the Isle of Man is taxed at a rate of 20% and banks are taxed on their banking business at a rate of 10%.

VAT

The Isle of Man has a Customs and Excise agreement with the UK. This means that for VAT, Customs, and most Excise duties, the two territories are treated as one.

The European Union's VAT Directives instruct other member states to treat transactions involving Isle of Man companies as if the transactions originated in or were intended for the UK.



Beneficial Ownership Register & Nominated Officer



The Isle of Man operates a non-public Beneficial Ownership Register and a nominated officer is required for each entity, a service which can be provided by Dixcart. The register is only accessible by Isle of Man regulatory bodies and/or law enforcement agencies for a permitted purpose. At present it is not available to the public.



What to do next...

If you haven't already done so, we would recommend taking tax advice from a qualified and licensed advisor; this may be your accountant, legal or financial adviser. If you do not currently have a relationship with such an adviser, not to worry, we have regular dealings with professionals from around the world and will be able to point you in the right direction.

Once you have taken the appropriate advice and ascertained that you would like to establish or transfer an Isle of Man company, there will be a few things that we'll need.

In order to complete our due diligence, and to onboard you as quickly and conveniently as possible, we'll need documentation such as:

- **Proof of identity**
- **Proof of address**
- **Source of wealth/funds**
- **Tax reference information**

We may request further information during your application process.

Working with Dixcart

At Dixcart, we have been providing Corporate Services and guidance for over 45 years; assisting clients with the effective structuring and efficient administration of 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 executive director, non-executive director and providing specialist consultancy services where appropriate. If required, our qualified professionals can also assist entities with any substance issues.

We have developed an extensive range of offerings, which includes the provision of Registered Office and Registered Agent services to Isle of Man companies. 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.

Get in touch



If you require further information regarding the incorporation, management or provision of Registered Office and/or Registered Agent services for an Isle of Man company, please feel free to get in touch with the team at Dixcart:

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Find us



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