



# ISLE OF MAN

Isle of Man - Common law

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## Incorporating a company in Isle of Man

# Isle of Man taxes

If you want to incorporate in Isle of Man, this article will educate you on the tax laws for a LTD which is the most common company structure in Isle of Man.

Isle of Man taxes resident entities on their worldwide income. However, the standard rate for income accrued both onshore and offshore, from our research, and this is not personal tax advice, is 0%. Unless income is received by licensed banks (10%), retail activities with revenues of more than IMP 500,000 (10%) and land and property within the country (20%). Isle of Man ranks 1st overall in terms of corporate tax rate worldwide.

The VAT rate in Isle of Man is 20.00%, that ranks the jurisdiction as 134th overall with regards to value added tax rate worldwide. Regarding other taxation, an employer will contribute 12% to the equivalent of a social security fund and an employee will contribute 11%.

Thin cap mandates are not in play. This refers to any type of requirements on given company with respect to debt-to-asset ratios. Dividends are subject to Corporate Income Tax, and usually taxable at a 0% rate. Dividends are distributions of company profits, established by the board, to a particular class of shareholders. Dividends can be either shares of stock, cash payments, or other property. Capital Gains are not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

Dividends, interests and royalties are usually subject to a withholding tax of 0%. Which means that the tax authorities usually expects LTD's to pay tax on 0% of payments abroad on dividends, interests and royalties. Payments on interests made to an individual out derived from Manx land and property may be subject to a 20% withholding tax. Payments on royalties that represents payments of Manx income to an individual may be subject to a 20% withholding tax. There is no known tax on wealth in Isle of Man. There are no known inheritance and transfer taxes. There are real estate property taxes in Isle of Man.

The above is not tax or legal advice for your company's situation. Incorporations.io can refer you to an expert in Isle of Man who will advise you. Ready to get started? Click the free consultation button above.

The vat rate in Isle of Man is 20% which ranks 134 in the world.

- ✘ Patent box
- ✘ RND credit
- ✘ Wealth tax
- ✔ Estate tax
- ✘ Transfer taxes
- ✘ Asset taxes
- ✘ Capital duties

- 0 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- 1 Loss carryback years
- Corporate time
- 20% VAT rate
- 0% Capital gains
- 2017 AEOI planned

# Isle of Man Legalese

For starters, the law in ISLE of MAN is common law law. Common law jurisdictions are generally regarded as easier to structure. E-signatures are allowed.

The abbreviation IM is for ISLE of MAN and the most common company type structure in ISLE of MAN is a LTD.

The average time to incorporate is 1-7 Days to setup a LTD in IM. The types of consideration you can use to setup your company is most commonly legal currency.

Yes, one is allowed to re-domicile a LTD from IM. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LTD in IM by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is allowed, up to 100% of the ownership of the legal entity.

There is a requirement to have at least 2 directors. Speaking of shareholders, corporate directors are not permitted. Directors are disclosed publicly. There is not a requirement to have annual meetings.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for an agent which can receive litigation or other legal process on behalf of the company. A related requirement, a company secretary is required by law.

There is an obligation to file yearly tax returns. However, there is no requirement that these accounts be audited, at least for privately held companies.

Overall we think Isle of Man is a good option and have given it a score of 91 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 2 Directors required**
- 1-7 Days to form**



# ISLE OF MAN

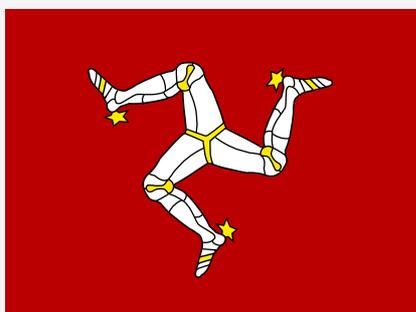
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## Country Info



🚩 National Flag of

**Isle of Man (eng)**

**Ellan Vannin or Mannin  
(glv)**

💰 Currency

**GBP**

☎ Area Code

**+44**

🏰 Capital

**Douglas**

📍 Region

**Northern Europe**

🗣 Native Languages

**English**

**Manx**