



Isle of Man:  
A Leading Jurisdiction for Listings on  
International Markets



*“The speed and quality of service here  
cannot be bettered on the island”*

**Chambers Global**

# Isle of Man: A Leading Jurisdiction for Listings on International Markets

More and more companies are turning to the Isle of Man to access international capital markets. The growth of the Isle of Man as a leading international finance centre is widely acknowledged and has resulted in it becoming the jurisdiction of choice for international companies.

## Isle of Man for International Listings

The Isle of Man has firmly established itself as a leading jurisdiction for companies who want to access international capital markets.

In addition to the Isle of Man's leading position as the most popular non-UK jurisdiction for companies on the London AIM market, the Isle of Man is also well represented on the Main Market of the London Stock Exchange ("**LSE**").

In addition to LSE work, the listings team at DQ acted on the very first listing of an Isle of Man company on the Toronto Stock Exchange ("**TSX**") and at the same time assisted CDS in becoming an "approved operator" in the Isle of Man, alongside CREST.

Isle of Man companies have also been listed on other international markets such as Deutsche Börse Frankfurt (FWB) and the Isle of Man is an approved jurisdiction by the Hong Kong Stock Exchange, thereby opening up the HK/China investor base to Isle of Man companies.

## Advantages of the Isle of Man:

### High regulatory standards

The Isle of Man is a sophisticated and well-regulated international finance centre. It is a AAA jurisdiction and features consistently in International Awards rankings as a leading offshore jurisdiction.

### Favourable tax regime

Isle of Man companies benefit from a corporate tax rate of 0% (a tax strategy which is compliant with the EU Code of Conduct on Business Taxation). There are no capital or wealth taxes on the Isle of Man. The Island is treated as part of the European Union for VAT and customs duty purposes and Isle of Man companies can be part of United Kingdom VAT groups.

### Geographical location

The Isle of Man offers a convenient European location as well as the benefit of being located within the British time zone.

### Stable legal and political environment

The Island enjoys political stability and is self-regulating (having the world's oldest continuous legislature with over 1,000 years of democratic home rule). This Island also benefits from membership of the WTO, the IMF and the OECD (via its relationship with the UK).

### Law

The Island has its own sophisticated legal system which is based upon the principles of English law shared by most commonwealth countries. Lawyers and businesses who are familiar with English law will therefore be reassured by their choice of the Isle of Man as a jurisdiction in which to conduct international business.

## Advantages of the Isle of Man for Listings

In 2006, the Isle of Man introduced a new corporate vehicle (the New Manx Vehicle or "NMV"). The NMV is a simple and flexible corporate vehicle which is inexpensive to administer. It offers a real and sophisticated alternative to a BVI style international business company or IBC.

An NMV benefits from less prescriptive offering document requirements than a traditional company, does not prohibit financial assistance or other share capital reorganizations (provided a simple solvency test is satisfied) and permits almost any type of share capital structure (in any currency) including shares in the form of global depository receipts (GDRs).

Share trading on CREST and CDS has been prescribed by legislation and is acceptable through an Isle of Man company.

# Isle of Man: A Leading Jurisdiction for Listings on International Markets

An Isle of Man company listed on a stock exchange is not a regulated entity for the purposes of the Isle of Man Financial Supervision Commission, the regulatory supervisory body on the Island, nor is the company considered a regulated fund requiring licensed administration on the Island.

From 2006 there has been a general 0% rate of corporation tax which forms part of the new simplified tax regime in the Isle of Man. The regime meets the expectations in respect of tax competition of the international community and also complies with the EU Code of Conduct on Business Taxation.

Corporate service providers in the Isle of Man are well regulated by the Isle of Man Financial Supervision Commission.

The Isle of Man has a well established and highly regarded professional infrastructure including the provision of legal, financial and insurance advice.

There are no inheritance, capital gains or stamp taxes on the Isle of Man.

Increasing numbers of businesses are using companies in the Isle of Man to bring a stock market listing in a wide number of sectors including mining, entertainment, e-gaming and financial services. In particular, the introduction of the new tax regime and the NMV has put the Isle of Man at the forefront for companies wishing to be listed on the international markets.

## Our Team

DQ is a leading full service law firm in the Isle of Man. Our lawyers are recommended as leading lawyers in **Chambers** and **Legal 500**.

DQ's corporate team has experience in international listings of Isle of Man companies and is usually instructed on behalf of the company to advise on all Isle of Man legal aspects in respect of such listing from incorporation right through to eventual listing. We also have experience in advising companies, shareholders and directors on issues after the company has been listed and is in the process of trading.

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ticks all the right boxes”*

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