

Moving Domicile to the Isle of Man

Those familiar with residency requirements in “offshore” jurisdictions within Europe know that obtaining residency can be difficult. There are very often income requirements that may also require

the purchase or rental of housing. Some countries have restrictions on the purchase of housing. Other countries require that a residency applicant have a job in place.



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Resident of the Isle of Man*

Obtaining residency in the Isle of Man is rather uncomplicated. Indeed, European Union citizens may simply move their residence to the Isle of Man in the same way that they may move to any country within the European Union without need of visas or residence permits of any kind. This is particularly interesting due to the fact that the Isle of Man is not a member state of the European Union.

Generally, domicile is obtained immediately, as a matter of law, if it is someone's intention to remain resident and he does in fact take up residency (domicile – one's intent, being different from residency, the physical act of residing, under Isle of Man law). It follows that tax liability in the Island is incurred after six months residency in

the Island. Needless to say, one who is domiciled in the Isle of Man is able to structure his tax, business and estate planning matters to make use of those advantages available.

For those who are not European Union citizens, residency requirements are essentially the same as those for the United Kingdom. Indeed, the application for residency visas is made over UK diplomatic missions, and the process is the same as might be expected for most any other country.

Though the Isle of Man government does not currently require residency permits, legislation was passed some years ago enabling the government to limit the number of residents in the Island. That law hasn't been enforced as yet, but there has been talk in the government lately about bringing it into effect since population growth has put a strain on the Island's infrastructure. The government has come to believe that quality is better than quantity.

There is a work permit system in the Isle of Man which favours “Isle of Man Workers” (essentially, anyone born in, educated in, or who has resided at least five years in the Isle of Man). Owing to full employment, however, new residents have readily obtained work permits.

Manx persons are British Citizens who are resident in the Isle of Man. For this reason, citizenship requirements are the same as those for the United Kingdom. Naturalisation can be applied for after five years continuous residency.

The Isle of Man has its own national health system which offers comprehensive health services free of charge to residents. There is a new and modern hospital capable of allowing most

types of medical treatment. For any other treatment Island residents are transported to specialist facilities in the UK.

There is daily scheduled transport to and from the Island, by air or by sea, in either case with a variety of flights / sailings to different destinations. Unfortunately there are no direct flights to Continental Europe, but plenty of connecting flights through the UK or Ireland.

The business infrastructure in the Island otherwise is what you would come to expect in any financial centre within Europe. Manx Telecom (a subsidiary company of British Telecom) has often tested new telecommunications equipment in the Isle of Man before it was introduced in the UK so that cutting-edge technology has been available. Banks, brokerages and other professional services are also available, though they tend to be aimed at the British markets. Still, dealing with other parts of the world tends to be very unproblematic.

Some have said that the Isle of Man is like a miniature England, with mountains in the North and plains to the South. The West of the Island tends to get more weather from the Atlantic Ocean (balanced with magnificent views, particularly at sundown), while the East is a bit more sheltered. The South sees more rain coming up the Irish Sea, while the North, particularly the plains beyond the mountains, perhaps see more wind. Having said that, residents of Ramsey, in the North, claim that Ramsey gets more sunshine than anywhere else on the Island!

Douglas is the seat of government and largest city, with a population of probably 25,000 today. Other larger

towns include Castletown in the South (earlier capital of the Isle of Man from the 11th to the 19th centuries), Port Erin and Port St. Mary (former fishing villages), Peel in the West (still a fishing centre), Ramsey in the North (a former shipbuilding centre in the days of sailing ships), Laxey in the East (a former lead mining town and home of the biggest water wheel in the world). There are a variety of small villages otherwise throughout the Island, each with its own offerings. As a whole, the Island offers a rural setting, with plenty of peace and quiet together with fresh air.

Indeed the fresh air and rainwater of the Island also make for fresh and pure local foods. There is bread baked from local grains and beer brewed from local ingredients.

It should be apparent that, even though the Isle of Man is a small island (about 50 km long and 20 km wide), there are a variety of places to live and things to do which would rival what is available in far larger countries. Because of the Island's position in the middle of the Irish Sea the weather is



Domicile in the Isle of Man – An Attractive Alternative.

temperate. Though there is plenty of rain (thankfully, since that is also the Island's source of drinking water!) and winds during the wintertime, snow is unusual, and freezing temperatures even more so. As you might expect, the

Island is a haven for gardeners and bird-watchers alike.

Anyone, resident or non-resident, can purchase real estate in the Island. Houses tend to be pricey – the average price of houses being on the order of £180,000. What is more, house prices have been rising in recent years at a rate of some 10% annually, and in spite of the government promoting the building of houses, particularly those for first time buyers.

As I mentioned earlier, there has been a significant influx of new residents to the Isle of Man in recent years. However, at present there are about 80,000 residents, meaning that there remain substantial open spaces. The population density in the Island is still lower than that in the UK. New houses, though seen as desirable, are subject to strict planning control and permission procedures. The desire is, of course, to maintain the standard of living that Island residents have come to enjoy for so many years.

If you are considering making your domicile the Isle of Man, enjoying the benefits I have mentioned above in a tax-friendly environment, you would do well to consider moving there sooner rather than later. Like so many good things in life, delay might mean a missed opportunity or at least the complication of your residency process. ■

Domizil auf der Isle of Man

Eine Domizilverlegung auf die Isle of Man ist sowohl für EU-Bürger als auch für Nicht-EU-Bürger relativ einfach und kann sich in mancherlei Beziehung lohnen. So ergeben sich insbesondere im Bereich der Steueroptimierung, aber auch in der Erbschaftsplanung oder in der Perfektionierung von Unternehmensstrukturen höchst interessante Möglichkeiten. Für Nicht-EU-Bürger gelten dieselben Einwanderungsbestimmungen wie für die Wohnsitzverlegung nach Grossbritannien. Die Einreise- und Visaformalitäten erfolgen über die jeweilige britische Botschaft.

Die Isle of Man ist zwar ein grünes Inselparadies zwischen Grossbritannien und Irland und als solches ein beliebtes Ziel für Naturliebhaber aus aller Welt; die Infrastruktur, insbesondere im Finanzdienstleistungssektor, ist aber nichtsdestotrotz erstklassig und entspricht mindestens dem Standard, den man sich von kontinentaleuropäischen Finanzzentren her gewöhnt ist. So testet Manx Telecom beispielsweise häufig neuste Telekommunikationssysteme für ihre Muttergesellschaft, British Telecom, so dass man auf der Insel anderen Regionen in Europa oft einen Schritt voraus ist.

Wer sich ernsthaft für eine Domizilverlegung auf die Isle of Man interessiert, sei es privat oder geschäftlich, ist indessen gut beraten, sich möglichst bald zu entscheiden. Aufgrund des Bevölkerungszuwachses in den letzten Jahren ist es durchaus denkbar, dass sich die Regierung der Isle of Man früher oder später gezwungen sieht, Massnahmen zur Beschränkung der Einwohnerzahl der Insel einzuführen.