

# Embracing Change

“The Isle of Man in recent years has entered into a period of transition. Our Government has clearly outlined its intention to comply with and enter into multiple agreements for exchange of information and ensure that the Isle of Man remains at the forefront of the list of offshore jurisdictions combatting tax evasion, money laundering and terrorist financing.

In every business, large or small, new ways of working, competing and growing are developing every day.

Organisations within the Isle of Man financial services industry have coped admirably with the increasingly onerous reporting requirements. The significant costs to obtain professional tax and legal advice, train existing staff, employ additional staff with unique skill sets and the loss of opportunity to charge time for administrative work have been largely absorbed and accepted by the industry in general.

There is, of course, some resentment towards the recent changes and reduced profitability during this time of transition. The resentment, however, is not aimed at the Government’s decision to enter into exchange agreements with other nations to keep the Island competitive and compliant. It seems to me that any resentment from the industry is aimed at those who are less educated in our existing regulatory standards and neutral tax position by maintaining their historic perception of the Isle of Man being a “tax haven”. If the Government’s decision was made solely to abolish this misinformed perception, it would have been made for all of the wrong reasons.

I recently read on a UK firm of accountants’ website that one of their areas of expertise was “dismantling offshore structures”. Unfortunately they did not specify which of the offshore jurisdictions they were advertising this service for, which could imply to the untrained eye that the Isle of Man as an offshore jurisdiction should be avoided. In fact, the author was targeting the use of particularly aggressive tax avoidance schemes, something which most firms on the Island do not provide and would normally advise clients of more transparent alternatives.

In order to ensure the integrity of the Island’s sophisticated and well established reputation, we must embrace the changes going forward, become more efficient in the review and provision of reportable information and collectively promote the Isle of Man Government’s approach thus far.

By embracing these changes we can create an enhanced perception of the Island as a leading offshore, fully compliant centre of finance to professional intermediaries, law firms and accountants around the globe. Inevitably in time, the “doubters” and the less well informed will change their existing perceptions and become accustomed to our neutral tax status, high regulatory standards and willingness to contribute to worldwide endeavours for the prevention of tax evasion, money laundering and terrorist financing.”

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