

Isle of Man

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Isle of Man

Giving you Freedom to Flourish

Island's economic strength reaffirmed before City audience

Chief Minister Tony Brown used the first Isle of Man dinner for business hosted at the City of London's iconic Mansion House to reaffirm the Island's economic strengths in these current turbulent financial times.

Mr Brown after outlining the Island's quarter century of continuous economic success, told his audience – which included a number of prominent UK politicians – the most important question now was 'what kind of international finance and business centre would survive in the years to come?'

Future global success

Mr Brown said: *'The successful centre of the future will have a diverse and robust economy, offering a full range of wealth management and other services to global clients.'*

'It will show skill and foresight in navigating international challenges and developing new opportunities.'

'It will be respected in commercial and political circles as a country both economically enterprising and internationally responsible. The Isle of Man is such a place.'

He went on to set out the Island's central ethos of 'quality' and an adherence to international business standards and ethics.

Mr Brown continued: 'We all have to learn from and adapt to economic conditions to survive, and this is especially so during such periods as those we currently face. As a small nation, the Isle of Man recognises and has previously risen to such challenges, and it is this that gives me cautious optimism that we will continue to do so.'

Essence of strategy

■ *'In essence, the policy of the Isle of Man Government is to be both internationally responsible and*

economically competitive. Our taxation strategy is to comply with changing international standards on information exchange and preferential treatment, while lowering the standard rate of tax for business.'

■ *The Isle of Man has had one of Europe's fastest growing economies in recent years led by the financial services industry. Business is attracted by our competitive tax regime, professional expertise and sound regulation – coupled with a supportive government and world-class infrastructure.'*

'New growth areas include e-commerce, film production, international shipping, aircraft registry, and space and satellite business. While more traditional sectors, like high-tech engineering, manufacturing, agriculture and tourism – including the world famous TT Races – are still important to the economy. This diversity of services and opportunities is one of the key factors in making us, as a small Island, unique.'

'The financial services sector has been the main driver of the Island's remarkable economic expansion over the past 25 years,' Mr Brown pointed out. 'We have been one of the strongest growing economies in Europe with real growth averaging 8% a year over the last decade.'

Mr Brown explained that latest national income figures showed this growth being replicated throughout the whole economy with GDP rising to over £1.8 billion, representing a growth rate of 7.7% in real terms. As a result, the Island's per capita income was now 18% higher than the UK and 24% higher than the majority of countries in the EU.

Year on year growth

He went on: *'Whilst competitor jurisdictions have noted contraction in assets under management, we have seen continued growth year on year, with record bank deposits in the region of £54 billion and funds under administration of US\$58 billion reported this month. - And it is a business we have fought hard for and won in a very competitive market.'*

'In the year ahead we expect growth will slow somewhat, but we believe we remain well placed to weather the storm,' added Mr Brown. 'One of the

key elements of our success has been the close partnership developed on the Island between Government and business, which has ensured the Island remains both competitive and innovative.'

Mr Brown said the Island had gained endorsement from the IMF and others for the quality of its regulatory regime and cooperation in combating international financial crime. In addition, the Isle of Man has retained its 'AAA' sovereign credit rating from Standard and Poor's and Moody's for the past five years.

He also pointed out that the Isle of Man was a 'constructive and pragmatic' partner in the OECD Global Forum on Taxation, and acknowledged by the OECD as a 'responsible international finance centre'. Of the 27 TIEAs (tax information exchange agreements) in existence a total of eleven had already been signed by the Isle of Man.

'Model for other countries'

'In fact, the Secretary General wrote to congratulate the Isle of Man for implementing its commitment to improve transparency and to establish effective exchange of information agreements with OECD countries. He also commended our "innovative international approach" hoping that it would serve as a model for other groups of countries.'

The Chief Minister concluded that the Isle of Man distinguished itself as a business centre that was both competitive and responsible and greatly valued its 'key partnership' with the City.

The Isle of Man has been ranked first in the world as a platform for non-UK companies floating on AIM, the Alternative Investment Market 100, with Isle of Man companies representing a total market capitalisation last year of seven billion pounds

'Receiving as we do a substantial percentage of business each year from our banking deposits and our funds under administration from all around the globe, the Isle of Man is proud to be a significant gateway to the City of London.'

Treasury Minister at IMF and World Bank meetings



For the first time, a delegation from the Isle of Man has attended the annual meetings of both the IMF and World Bank in Washington. The invitation followed the Island's election as the first Associate Member of the Small States Network for Economic Development.

In his first statement to the Small States Forum, Treasury Minister Allan Bell announced a major new initiative that will see the expertise of the Isle of Man's finance sector benefit other small countries – many of which are among the poorest in the world.

An innovative education programme run by Oxford University Business School will enable 25 officials a year from the central banks, finance ministries and regulatory bodies of small states to improve their ability to manage their financial sectors and engage more effectively with the global financial system.

Oxford and Harvard professors

The initiative will bring together leading professors from Oxford, Harvard, and other universities, along with practitioners from throughout the world, including several from the Isle of Man, to engage with the delegates for a two week participatory programme using the facilities of the Isle of Man International Business School.

Unveiling the initiative, Mr Bell said: 'Events in the financial markets over the past few months have brought into stark relief the need for all countries to have well run banking and financial sectors and to embrace sound regulation - so we believe this programme will be very timely.'

He highlighted a particular challenge for small states that the initiative seeks to address: 'As small states, we are all familiar with how difficult it is for us to negotiate with larger nations. To respond to this need, which was stressed in discussions with the Commonwealth Secretariat over the past year, the programme will include a three-day customized version of the Oxford Programme on Negotiation.'

Scope for collaboration

The programme will include topics such as sound regulatory practices, risk-based banking supervision, financial legislation, the scope for central bank collaboration among small states, and improving the performance of government agencies in the financial sector.

'We will also include anti money laundering and the Stolen Assets Recovery or StAR initiative of the World Bank and the UN Office on Drugs and Crime,' Mr Bell added.

The programme is being funded by the Isle of Man Government together with several international organisations and bilateral donors. This will enable officials from some of the world's poorest countries to benefit from the programme. The World Bank and the Commonwealth Secretariat have played a major role in helping the Island to develop the initiative and it was widely welcomed by ministers and officials attending the forum.

The Small States Forum takes place at the IMF-World Bank Annual Meetings, and brings together more than 20 countries with populations of 1.5 million or less. The World Bank, Commonwealth Secretariat, EU, IMF, UNCTAD and WTO sponsor the forum.

'It was fortuitous that this long-planned trip to respond to the invitation to address the Small States Forum, should have come at this particular time. It has enabled us to hear directly from the people who are seeking solutions to the global financial crisis and to exchange views on addressing our own immediate challenges with fellow ministers and officials,' Mr Bell added.

Fairbairn Private Bank granted City licence

Fairbairn Private Bank has become the first British 'offshore' bank to be granted leave to market its products throughout the UK. The move will also create further job opportunities in the Isle of Man, where the bank is celebrating 21 years of operation.

Fairbairn Private Bank was incorporated in the Isle of Man in 1987 with a branch in Jersey following shortly afterwards. The bank is a member of the Old Mutual Group and has a representative office in South Africa. It operates a comprehensive range of personal and private banking, investment, trust and corporate services. Clients include private individuals, small and large companies, trusts, governments and institutional investors.

The bank was recognised as the 'Best International Private Bank Group' and 'Best International Wrap Provider' by an independent panel of industry experts at this year's International Investment Fund & Product Awards. It is also the only company to move

continually up the ratings in the Sunday Times 'Best 100 Small Companies to Work For'. The operation is no stranger to receiving accolades from the industry – amassing 37 since 2001, ranging from product and service awards to 'best business' accreditations.

Highly competitive market

Greg Horton, the bank's Managing Director, said: 'We are very excited about our launch into the UK marketplace and look forward to fulfilling the needs of our future new clients there. We believe our innovative international offering will be attractive to the growing number of UK based high net worth individuals and allow us to succeed in what is a highly competitive market.'

'Our continued growth provides further employment opportunities across the business, including a substantial increase in staff during

2008, over half of which will be located within our offshore Island offices,' he added.

Treasury Minister Allan Bell said Fairbairn Private Bank had 'contributed enormously' to the Isle of Man's thriving financial services sector and singled it out as 'a model for excellence in private banking'.

'Island success story'

He continued: 'As a result we are very proud to see this Isle of Man success story expand its services onshore, particularly to the global financial centre of London. It is a momentous move which benefits the local community by providing employment opportunities on-Island, as well as giving us the chance to share our business expertise with the UK market and further develop our close links and economic contribution to the City of London.'

www.fairbairnpb.com

Network of tax agreements expands

The Isle of Man's move to ease the way for 'cross-border' business by striking bilateral tax agreements with other jurisdictions has proved highly successful for several sectors of the finance industry.

Agreements between the Isle of Man and five of the seven members of the Nordic Council – Denmark, Finland, Norway, Greenland and the Faroe Islands – have now come into force. The Isle of Man has ratified these agreements and is ready to work with Sweden and Iceland to complete the ratification process with them.

The Island's first tax agreement was signed with the United States in 2002 – making the Isle of Man one of the first

international finance centres to make such a commitment in the field of tax cooperation. Further ground was broken three years later with deals brokered with the Netherlands based on 'mutual economic benefit'. A deal with the Republic of Ireland in April this year added to the network of global agreements.

■ Finance News

UK tax agreement safeguards pensions

The Isle of Man and the UK have secured an agreement to ensure UK residents retiring to the Island will not incur double taxation on their pensions.

The move is part of the Island's program of developing closer economic ties and tax co-operation with other countries. The respective governments will now amend the 1955 double taxation agreement by adding provisions on the taxation of income from pensions and a mutual agreement procedure.

Once the new provisions are in force, many pensions paid from the UK to people living in the Isle of Man will be taxed in the Island only. An agreement to facilitate the exchange of information relating to taxes between the Island and the UK was also signed.

Chief Minister Tony Brown said: 'The Isle of Man has taken a leading part in driving forward the development of international tax agreements by working closely with the OECD and its members so I am pleased we have been able to conclude this agreement with the UK.'

Minister of State for Constitutional Renewal, Michael Wills MP, signed the agreement on behalf of the UK Government.

Barclays Wealth: 'competing in global property sector'

The Isle of Man property team of Barclays Wealth says its appetite for competing in the global property sector remains undiminished despite the current turbulence in the financial markets.

Simon Scott, Head of Corporate at Barclays, believes the synergy of services within the Barclays Group is strengthening the team's hand in the current uncertain financial environment. 'We have a close working relationship with property companies and professionals on the Island – indeed, despite market conditions, we have seen unprecedented levels of new lending requests and lent substantial amounts on property transactions in 2008.'

'We have a strong appetite to continue to support new and existing clients in the property sector,' Simon Scott added. 'Our specialist approach - coupled with access to the breadth and depth of competencies across Barclays Wealth global business - creates a winning combination of local presence and international expertise, enabling Barclays Wealth to create truly world-class bespoke solutions.'

Barclays Wealth globally currently handles client assets totalling £132.5 billion.

www.barclayswealth.com

■ In Brief

Boston Group expands

The independent Boston Group, a privately owned company specialising in bespoke financial services to high net worth individuals and families, has acquired Lawfords' Isle of Man corporate services and trust business.

Simon Duggan, Boston's Managing Director, said: 'Boston has been very successful in building an excellent client base since our establishment as a family office in 2002 and have continued to look at a number of acquisition opportunities.'

'Following a period of discussions with the principals at Lawfords, we felt their business and people offered synergy with Boston's values and ethos that we were looking for.' He added that clients would continue to enjoy support from existing contacts with the Lawfords' team moving to the Boston Group's offices in Douglas.

Runway project starts

A major scheme is underway to upgrade the existing runway at the Island's Airport. The project will see an extension to the runway, resurfacing and a promontory built to the east of the airfield to accommodate longer safety areas.

Ann Reynolds, Airport Director, said: 'The safety of everyone who uses the airport is the driving force for this scheme. The planning and preparation has been extensive and we are now in a position to start work.'

The Department of Transport stressed the runways already met current CAA mandatory guidelines. The new project will ensure the airport's facilities will meet future requirements and support its ability to manage and grow the Island's air services, as well as accommodate larger types of aircraft.

B&B 'business as usual'

Bradford and Bingley International's Isle of Man based business has been taken over by Abbey National, part of the Spanish Banco Santander Group.

The move involves the transfer of the group's retail deposits, branch network and related employees, including 35 local staff, and retention of the B&B brand. Abbey National already has an Island operation employing 320 staff.

Antonio Horta-Osorio, Abbey National's Chief Executive, said: 'This is good news for Bradford and Bingley's savings customers. They can be certain that their hard-earned savings are with a bank they can trust as Abbey is part of the Santander Group, one of the world's most successful banks.'

Isle of Man Pension schemes offer lasting tax efficiency to expat pensions market

Isle of Man Pensions Plc now very much open for transfer business

The Isle of Man is now leading the way in providing tax efficient pension schemes for overseas workers and expatriates with deferred UK pensions. Prior to UK A-Day (April 2006 when the British Government brought in sweeping changes to the UK pensions system) pension transfers from the UK to the Isle of Man, along with other overseas countries, operated under a long-standing reciprocal agreement, which relied upon the person's tax residence having moved from the UK to the Isle of Man.

The effect of A-Day was to tear up all such reciprocal agreements and replace them with the current QROPS Regime. Any pension transfer can be made from a UK scheme to an overseas scheme at any time, provided only that the latter is registered with HMRC as a Qualifying Recognised Overseas Pension Scheme.

Global client base

One leading company operating in this sector, consulting actuaries and pension scheme providers, Boal & Co, has many such schemes that now hold QROPS status and demonstrate the breadth of international appeal. Already this year, UK/Isle of Man pension transfers have been completed for clients in places such as the USA, Spain, Thailand, Dubai, Japan and Indonesia – as well as the Isle of Man.

What sets Isle of Man schemes apart is their regulated nature, and a pragmatic approach to scheme benefits. Key drivers are the ability to avoid having to buy an annuity, to keep investment control like a SIPP, to retain funds on death, and to face only 7.5 percent tax on death. There is also the potential for some tax savings on the pension in payment.

Boal & Co's Managing Director, Gary Boal, says it's the approved status nature of Isle of Man QROPS that is key to their success – and is the fundamental issue at the heart of providing proper pension provision for expatriates and non-doms. 'The first point to note is that individuals who transfer UK pensions to

an Isle of Man pension never have to buy an annuity - never ever,' he stressed. 'This means that funds can be retained within the member's wealth on death, and passed down to the member's beneficiaries or into the member's estate. The member is able to draw down pension on a relatively flexible basis and keep it invested as they wish – whether on deposit, in shares or in funds. There is no distinction whether the member is before or after age 75 – draw down is a lasting provision.

A lasting solution

'Secondly, unlike certain other international jurisdictions which have promised tax-free transfers for UK pensions or hinted at an ability to achieve "pension busting", customers transferring their UK pensions to Isle of Man schemes may be confident of a lasting solution. For one thing, all companies who provide pension administration or trustee services in the Island have to be authorised and registered with the Insurance and Pensions Authority. This regulated environment is supported by openness and clarity in dealing with tax – Isle of Man pensions are subject to Isle of Man tax, currently at 18 percent, when they come into payment. But this is offset by the ability to take up to a 30 percent tax-free lump sum and by a personal allowance.

'However, it is a fundamental requirement of any scheme used for UK pension transfers that pensions paid from the scheme are subject to local tax: so tax-free is simply not an option. What is possible, though, is low tax, a wide range of investment choice and flexibility on the nature and form of eventual pension benefit.'

Unlike some of our competitors, he points out, the Isle of Man has had the boldness to turn the issue of tax into a positive element of the scheme's design. What the Island's tax authority has done is attach tax to both domestic and international pensions in a way that, far from being seen as anti-competitive, is highly attractive in that it clarifies one

of the central issues of requiring tax to be deducted at source.

'This is particularly important where pensions are being transferred after being built up in the UK. Isle of Man schemes make it clear that when pensions come into payment, they are subject to Isle of Man tax. This application of tax satisfies the requirements of the UK Revenue.

Open and liberal

'A transfer of UK pensions is possible provided the Isle of Man scheme is registered as a QROPS with HMRC and honours the specified reporting requirements to HMRC. For many expatriates and non-doms with pensions left behind in the UK, pension transfer to an Isle of Man scheme can provide huge advantages, with no strings attached.'

The Isle of Man's move towards seeking a series of bi-lateral double tax agreements with other jurisdictions – including Spain, with its huge pool of British expatriate residents – is welcomed by Gary Boal as another demonstration of the Island's ability to tackle important tax issues head-on. By clearly discharging any local tax liability, the Isle of Man schemes avert the threat of tax bills being incurred from both home and abroad.

'The Isle of Man is offering proper, regulated pensions in a lasting tax efficient environment,' explained Mr Boal. 'Unlike UK pensions, which have been subject to huge tax changes in recent years, and the effective, politically motivated application of an 82 percent tax rate on pension funds remaining on death, the Isle of Man schemes have only a 7.5 percent tax rate on death of the last member - and it is possible to bring in additional family members to keep a scheme running.'

Reporting requirements

Mr Boal continued: 'QROPS conditions impose reporting and other obligations on the overseas administrator to HMRC.

However, these and some conditions – such as Member Payment Charges – fall away after five years of UK non-residence. Once the overseas transfer has happened, if the member has been UK non-resident for five years (and is non-resident when the pension is paid) there are no reporting requirements.

'Isle of Man personal pensions can obtain contracted-out approval, and we now have a choice of master trust-based personal pension arrangements to which UK protected rights can be transferred. As with the main pension fund, protected rights can also operate on a draw down basis in retirement.

This new breed of Isle of Man based international pension is aimed primarily at British expatriates and non-doms – individuals who have in the past built up UK pensions but are no longer UK-resident, who have worked in the UK in the past and accumulated UK pension funds. They are also available to the local

Isle of Man market, including wealthy individuals who physically relocate from the UK – though this is no longer a prerequisite for an Isle of Man transfer.

Successful life sector

Isle of Man pension schemes operate in a well-regulated environment introduced by the Isle of Man Retirement Benefits Schemes Act 2000 and Subordinate Regulations. Scheme administrators and trustees must be authorised by the Insurance and Pensions Authority, the same regulator as for the Island's highly successful offshore life assurance sector. The Isle of Man Treasury believes its offshore pensions sector will emulate the success of the offshore life sector, which, after 25 years of expansion, now boasts funds under management of more than £35 billion.

'First and foremost, QROPS take UK pensions out of the UK system of

pension rules. This has a number of benefits, including enabling pension funds to be passed down a generation – unlike the very harsh regime in place in the UK – with only a 7.5 percent tax on eventual wind-up. In addition, schemes have a variety of other benefits, including allowing a higher, 30 percent tax-free lump sum as well as a wider investment choice, including investments that are not permissible in UK SIPPS.

'Given the opportunities that the Island's pension framework provides – most particularly for moving non-residents' UK pensions to a more flexible, tax-efficient environment – and given the professional expertise and range of schemes now available, Isle of Man Pensions Plc is now very much open for transfer business,' added Gary Boal.

www.boal.co.uk

www.gov.im/IPA

International actor celebrates 20 years on the Isle of Man

One of the Island's most recognisable faces, international actor John Rhys-Davies is celebrating his 20th year of residency, on the Isle of Man.

Generally regarded as one of Britain's finest contemporary actors to his obvious delight, multi-award winning John became a dad again (he has two grown up sons, one of whom still lives at home) two years ago.

His and partner Lisa's elegant and secluded Island home now sports an additional feature in a third floor dormer extension. 'We call the nursery the Rainbow Room,' he says, nodding to the bespoke carpet with its broad red, yellow, green and purple stripes.'

John, whose 46-year career has seen him working and living all around the world, 'pitched up' on the Island's shores in late 1988, with some measure of serendipity.

'I was living in California, but had just shot Indiana Jones and the Last Crusade, was finishing Great Expectations for Disney, both in England, and was trying to avoid going over the six months period and having to re-enter the UK tax system,' he explains. 'Between days spent filming I'd get out of the country; I spent time in Paris, then the Azores.' A friend then suggested he try somewhere closer, and recommended the Palace Hotel in Douglas, who were then offering a tenner-a-night deals. 'I had no idea what to expect,' he admits. 'I thought the Isle of Man was just some mountain sticking out of the Irish Sea - I suppose my vision of it was another Rockall.' He spotted and

quickly bought a seaside cottage in the north of the Island, a house he still owns, but has not lived in for many years.

It was a busy time in the stage-trained actor's career. Although he had become a household name during the 70s, appearing both in classical theatre and television series like Budgie, I Claudius and The Naked Civil Servant, his international fame arrived in the 80s.

It was as Sallah, the Egyptian companion of Indiana Jones in two parts of the blockbuster trilogy, that John achieved super stardom. It also seemed to establish a niche for him in playing roles of varying ethnicity.

For many of his fans, the most memorable of such castings was as the dwarf warrior Gimli in all three installments of the Lord of the Rings trilogy. Gimli's famous axe now sits in pride of place in the dining hall of his capacious home.

It is just one of many souvenirs, mementoes and curios the acclaimed stage and voice actor has collected on his extensive travels.

These, however, are dwarfed by his collection of books. His large library is bulging to bursting point and, astonishingly, he walks across the hall to a second one equally furnished. There are bibles and biographies, historical and political tomes and works of the great playwrights over the centuries. 'I need a bigger house or a third library,' he grins.

Given his extraordinary career, it is clearly the English Drama that exercises

from his agent. She has a script, which he must read and make some quick decisions on. It's e-mailed over in seconds. 'Sometimes access to the outside world is simply too easy; sometimes I insist on having stuff sent to me on paper, through the post, just to give myself more decision time. By the way our postal service here is outstanding, I've never known one better, anywhere in the world!' He twinkles. 'But then I have to say that, don't I, after all, they put me on one of their postage stamps!'

He regards the Island as 'a place unusually blessed, surrounded by fish in the sea and enough good green grass to provide wonderful fresh organic foods and great beer too!' Though he is seldom seen in local pubs; he explains; 'I played a hard man in the TV series *Budgie* many years ago, and every time I went into a pub in London some Jack the Lad would try and pick a

friendliness about the place that works. 'The government understands business and the needs of business. It's small enough that if you have a problem you just pick up the phone and talk to the man at the top.'

This is one of the reasons he believes the IOM Film Commission has been so successful. 'I happened to be in Steven Spielberg's office when it appeared that a film he was about to start was going to lose the location it was due to shoot in. I told Spielberg that the Isle of Man Film Commission could give the necessary consents in twenty four hours. He looked thoughtful, and said that they might take me up on that offer. I left and made a call to Hilary Dugdale and told her what I'd promised on her behalf. She didn't scream, she didn't threaten to kill me, she took a deep breath and said, 'Yes, we can do that!' and made the follow up calls.' The location problem was sorted out and so the film didn't come here, 'but we made the point, and one day, maybe, there will be a pay-off. The point is the Island was ready to step up and bat.'

Living in a place steeped in history, with its myths, legends and fairy lore, John accepts that he has probably drawn from these in the characters he plays. 'Most good acting is based on the observations an actor makes of life, and this island is full of life.' He continues: 'It's a fabulous place, with great bookshops, good food and often brilliant company. There's such a wealth of real, practically-minded, down-to-earth people with rich character and a sense of humanity and depth. They are what makes this Isle enchanted, and from where its spirit has grown. Did you know some think it might well be the Avalon of Arthurian legend? It certainly vanishes like Avalon in those occasional sea mists.'

With approaching 200 TV and film credits to his name, together with production and writing work, John has a resolute answer to the big question: What was your favourite role or character? 'It's the next one, just as my favourite film is the next one,' he insists, before washing down a hot-crossed bun with a coffee and galloping off to catch a flight to Hungary for that next role. And after that? 'Canada, for seven weeks'

Whatever else his 65th birthday brings next May, we suspect it won't be retirement.



John Rhys Davies with the Axe used by his character Gimli in the Lord of the Rings trilogy

him most. During our interview the postman arrives with a weighty parcel containing the OUP's 'Collected Works of Thomas Middleton', next to Shakespeare and Ben Jonson our most important contemporary Renaissance playwright. John is almost salivating as he breaks off the interview and tears open the box.

John's powerful, distinctive Welsh voice takes on a different timbre when it comes to the subject of his living on the Isle of Man. He sees it as the centre of his own Gaelic region, as well as a global stepping off place. 'There is no reason I can't go from here to anywhere in the world just as quickly and easily as anywhere on mainland Britain,' he points out. 'We're only just over an hour's flight from London, although I prefer to fly through Manchester whenever possible.' As if to underscore his point, our interview is interrupted again, this time by a call

fight with me to prove he was harder. If I'd hit him I'd have ended up in court, so I'd put my glass down, mutter that he/they had the wrong man and leave.' It just became a habit to stay away from pubs. 'Alcohol and celebrity are a dangerous mix.'

Ever the collector, he also sees the 'secret benefits' of the Island; a place where many ex-colonials retired, amassed great works of art and fine furnishings and then died. 'There are lots of antique bargains to be had,' he smiles.

Above all, he considers it the nature of the Island's people, their respect for privacy, which makes the Island such a good place to live as a celebrity. The 'invisibility cloak', so often needed elsewhere, can be discarded here. 'Here they don't follow you into the gents toilet with a video camera, hoping to post a picture of you on YouTube. 'There's an intimacy and

■ Aircraft News

Aircraft register attracts first Boeing jet

The Isle of Man Aircraft Register – established just 18 months ago – has attracted its first Boeing 737 and Airbus 340 jets. They bring the number of aircraft now registered in the Island to 87.

Brian Johnson, the Isle of Man's Director of Civil Aviation, said: 'Business is now being attracted from further and further afield - from across Europe, the USA and Canada to the Middle East and Russia. This includes jets built by leading worldwide manufacturers and owned and operated by internationally successful businesses and wealthy individuals.'

Dedicated corporate register

The Isle of Man Aircraft Registry was established to provide a customer focused service for the registration of high quality private and corporate jets and turbine-engine helicopters. As the

only dedicated corporate aircraft register in Europe, the registry offers high international standards and a competitive scheme of charges.

'As the registry grows, we are increasing our staff and moving to larger offices,' explained Brian Johnson. 'This will enable us to maintain our high levels of service. We currently have nine authorised Airworthiness Surveyors, including one permanently based in the United States.'

'Being a small operation means we are in a position to offer an efficient, more personalised service, as well as value for money. We also have the flexibility to change direction quickly if the need arises.'

'One-stop shop'

As with the ship registry, the Isle of Man Aircraft Registry is backed by locally based professional expertise. Lawyers, Accountants, CSPs and other financial institutions have many years' experience

financing, insuring and providing corporate structures for aircraft registered in other countries. This has greatly contributed to the early success of the Island's own register which is rapidly turning the Isle of Man into a 'one-stop shop' for quality aviation business.

The Isle of Man's aircraft registration prefix nationality mark is 'M' followed by a hyphen and four characters – a combination that has already produced some interesting registrations, such as M-AGIC, M-YJET, M-IDAS – and M-ONEY! Another innovation is to allow owners to transfer their personal registration to their next aircraft.

The Isle of Man Aircraft Registry was one of the sponsors of this year's annual Future of Business Jets Conference which took place in London on 23 and 24 October.

www.iomaircraftregistry.com



Island wins first space institute

The Isle of Man has secured the world's first International Institute for Space Commerce that will be based at the International Business School. It will offer a 'global masters programme' for students studying the subject.

Creation of the IISC project is a joint venture between the International Space University in Strasbourg and the Isle of Man Government. The ISU regards the move as the first step in widening its global reach by establishing associated institutes around the world.

Tim Craine, Director of E-Business, said: 'It's a tremendous endorsement for the Isle of Man to have this international institute in the Isle of Man. We were in direct competition with Tokyo, Paris, Los Angeles and Toronto – so for the Island to win against that sort of competition is a reflection of the standards we operate to. In terms of the Island's reputation internationally, we couldn't ask for more.'

Expanding sector

The Isle of Man has an expanding space business sector including international companies SES, Inmarsat, Telesat, ManSat and Sea Launch. A number of local legal firms benefit

from handling complex work associated with the industry.

Among the reasons cited by the ISU for choosing the Isle of Man were 'political commitment to develop space commerce, space friendly legislation and commercial benefits for companies, such as low taxes and access to orbital filing slots.'

Guests invited to the official opening included Dr Soyeon Yi, the first citizen of South Korea and only the second woman from Asia to go into space.

■ Shipping

Global ship major opts for Isle of Man registry

“The Isle of Man Register offers an unrivalled level of service providing clients with an immediate response that is now crucial in a global market”



The Isle of Man ship register has just taken on its first Japanese-owned oil tanker, 'Atlantic Explorer,' a 59,000 GT Aframax owned by Mitsui OSK Lines.

MOL Tankship Management (Europe) has appointed Trident Trust, headed by Captain Roger Cabbage, as its representative in the Isle of Man.

The vessel, built at the Mitsui Shipyard in Chiba, Japan, was delivered on 24 September. An 'Aframax' size tanker, she is 235 metres long with a deadweight of 110,000 tonnes and a gross registered tonnage of 59,000 tonnes.

Japan is hugely important to international shipping as it continues to maintain significant ownership of the global fleet. Its shipping industry has undergone unprecedented growth in recent years, due mainly to increased freight business generated by the booming economy in China.

Register's growing stature

Traditional in its business dealings, Japan is a loyal customer and does not rush into important decisions. Attracting this high calibre business from such a distinguished Japanese

owner is therefore highly significant for the growing stature of the Isle of Man register.

Dick Welsh, Director of the Isle of Man Ship Registry, said: 'The registration of this vessel is the culmination of a great deal of hard work by both the ship registry team and MOL to arrive at this point where a major shipping corporation in Japan recognises the benefits of registration in the Isle of Man – to the extent that they have registered their first ship in the Isle of Man.

'It's a very important milestone for the register – and a huge step for the Isle of Man as a centre of excellence for international business. It is also a demonstration of how committed we are as a quality registry. We offer a truly global service 24/7.'

No tonnage fees

As well as offering quality administration services, the Isle of Man register is considerably more cost-effective when set against other open registers that continue to charge annual tonnage fees based on the size of ship. 'Cost is not a major element, but it does help,' Dick Welsh pointed

out. 'There is no reason why important shipping jurisdictions like Japan and Singapore shouldn't be looking to the Isle of Man. We are considerably more competitive with the absence of tonnage dues being a case in point. Not charging annual fees means that the longer a larger ship stays on the Isle of Man register, the more savings the owner makes.

The Isle of Man register's tonnage is currently approaching 10 million gross registered tonnes, representing merchant vessels to commercial yachts as well as smaller craft. There is also a substantial and growing number of multi-million dollar super-yachts – both commercial and private – built by some of the industry's leading names. The register's biggest client is BP, which currently has the most merchant ships on the register.

Super-yacht centre

As a long established Category 1 British register, the Isle of Man can take vessels of all sizes and types and has always accepted privately operated pleasure yachts. Legislation also provides for commercial yachts of over 24 metres – these super-yachts, like the

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magnificent Felicita West, built by Italy's Perini Navi, can be in the region of 50 to 65 metres and owners are now demanding larger and larger yachts to be built. As a member of the Red Ensign Group, Isle of Man flagged ships and yachts fly the internationally recognised Red Ensign.

The Isle of Man is fast emerging as an international 'super-yacht centre' having a registry backed by substantial professional expertise, including leading CSPs, trust and management companies. Representatives from several of these Isle of Man based operations were part of an official delegation attending the annual September boat show in Monaco and took the opportunity to visit some of the Isle of Man flagged yachts on show.

Quality flag

The Isle of Man Ship Registry is ranked amongst the ten best flag administrations by the body charged with judging the standard of ships using European ports. The Paris Memorandum on Port State Control is recognised globally as the standard-bearer of maritime quality. Its annual report is stringent in its findings and places registries on 'black', 'grey', or 'white' lists according to flag state performance. The White List, including

the Isle of Man, represents quality flags with a consistently low detention record for its ships entering European ports.

A 'top 10' ranking is the industry's global benchmark for quality and placement in this elite list demonstrates the Island's commitment to quality with standards being continuously maintained and improved. The registry team places great emphasis on monitoring the Isle of Man fleet's Port State Control performance to secure its quality reputation, and White List recognition justifies the hard work that has been carried out.

While few industries have remained untouched by the global credit squeeze, shipping has so far been faring better than most. It's still one of the world's biggest growth areas with investors and wealthy owners demanding ever bigger and better ships and Japan, along with other major Asian markets, is the key driver in feeding this demand.

'Massive order book'

'We're certainly not seeing any downturn at the moment,' Dick Welsh pointed out. 'There's still a need to feed the world's booming economies – whatever the financial climate, there

remains the fact that countries are dependent on imported goods from oil to other commodities. There is still a massive order book for ships worldwide.

'The Isle of Man's emphasis on quality is a major attraction for a conservative country like Japan. Provided we continue to offer the same level of service and operate both efficiently and pragmatically, I'm sure other Asian owners will follow.

'As well as cost-effectiveness and quality of service, the Island has also streamlined its service to owners and simplified the whole registration process to make it more user-friendly.

New BP Island office

'However, the Isle of Man remains very careful to scrutinise all new ships and owners – not just for the Island's own sake of maintaining a quality register, but also for those existing owners who have chosen the Island for this reason. Like BP, who recently opened a new office here, quality owners require a quality flag under which to operate. We haven't compromised on quality, he added, 'we are still checking, but in a different, more efficient way.

www.gov.im/dti/shipregistry



Line up of officials and workers at the hand-over ceremony of the 'Atlantic Explorer', Mitsui Shipyard, Chiba, Japan



**Isle of Man
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Reillys Eilan Vannin

Published by: Isle of Man Finance, The Treasury,
Douglas, Isle of Man IM1 1PG, British Isles

Tel: +44(0) 1624 686400 Fax: +44(0) 1624 686454

E-mail enquiries@isleofmanfinance.gov.im

www.isleofmanfinance.gov.im

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