



**Gary Boal, managing director at Boal & Co, believes the passing of the 50C legislation will make the Isle of Man the envy of other offshore centres**

**IA** OPINION

## Isle of Man envy of rivals with 50C pension regime

Christmas has come early to the Isle of Man this year with the passing of the 50C pensions legislation on 19 Oct.

It draws inspiration from the existing, successful 50B pension tax regime – under which hundreds of international corporate pension schemes are now run from the Isle of Man, providing benefits for international employees. Just like 50B, 50C schemes operate on “TEE” tax principles (i.e. benefits paid free of tax).

Measures built into the 50C approval requirements mean that schemes are designed to fit snugly with HMRC’s QROPS approval regime. So important was consideration of HMRC’s position that it was actually consulted by the Isle of Man tax authorities before the legislation was developed.

While some observers might opine that this brings Isle of Man pensions onto

a level playing field with certain other global finance centres, nothing could be further from the truth.

For one thing, 50C is worded in such a way as to roll away unnecessary restrictions, ensuring the schemes enjoy the full flexibility permitted by HMRC/QROPS rules. Other QROPS centres will look upon the Isle of Man pensions regime with envy.

But the knockout punch for other jurisdictions is the fact that the Isle of Man has primary legislation – in the form of the Retirement Benefits Schemes Act 2000, overseen by the Insurance and Pensions Authority – that actually regulates all pension schemes, including QROPS. So 50C schemes are not just tax-approved: they – and those providing such schemes – are fully regulated (not merely tax-approved) under comprehensive pension legislation

Now who is top dog?