

Are Your Assets Safe in the Isle of Man?

by Brian Mahany

Situated mid-way between England and the Republic of Ireland sits the small, 227 square mile nation of the Isle of Man. With a population of just 80,000 residents, the Isle of Man is a popular destination for offshore asset protection. A recent statement by the chief executive of the Isle of Man Financial Supervision Commission admitting to years of cooperation with the U.S. Securities and Exchange Commission has some people questioning that choice.

The Isle of Man, although quiet small by size and population, boasts the longest serving legislature in the world. The island's legislature, called the Tynwald, was established by the Vikings in 979. Over the years, both England and Scotland have fought over the Island. Beginning in 1866, the island has slowly gained its sovereignty. Today, the UK retains the ability to legislate for the island nation in matters involving war and international matters. Why is this important?

Although the U.S. and U.K. enjoy a cozy relationship in many things, trust law remains uniquely the domain of the Isle of Man and the Tynwald. To date, the Manx courts have been very protective of trusts; the vehicle most used by those seeking asset protection.

The recent decision by the Manx Financial Supervision Commission is not surprising. The Isle of Man is a great location to create a trust seeking protection against future creditors. But the island is not open to people seeking to commit frauds or evade taxes. According to published reports, the executive director of the FSC stated that it does not view the promotion of "aggressive tax mitigation structures" as a prudent business strategy for Isle of Man trust providers.

The island's remote location makes litigating claims quite daunting for any creditor and the powerful trust laws make such litigation doubtful. When added to the island's stable government and banking system, the Isle of Man is a great location for offshore asset protection.

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MahanyLaw assists high net worth individuals and those in risky professions preserve their hard earned wealth. Working with local counsel throughout the world, our lawyers can create an offshore asset protection strategy for almost any budget and situation.

The key to any successful asset protection strategy is to plan and implement the strategy before a suit is filed or major incident occurs. Although it is never too late for asset protection, implementing a strategy after a claim arises makes the strategy more susceptible to fraudulent conveyance claims.

From their offices in Milwaukee, Wisconsin and Portland, the asset protection lawyers at MahanyLaw help clients with both asset protection and asset recovery (fraud recovery) anywhere in the United States. Attorney Brian Mahany can be reached directly at 414-704-6731 or at brian@mahanylaw.com. All inquiries are confidential.