Funding the Future

Pride comes before a fall - Isle of Man take note

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[Manx Net reports](#) (and I have edited a bit):

The Isle of Man Assessor of Income Tax, Malcolm Couch, provided an update on zero-ten taxation at a breakfast seminar hosted by Lloyds TSB on Wednesday morning. Mr Couch outlined some of the concerns raised by the EU Code Group about zero-ten and the 'attribution regime for individuals' (ARI). With the ARI now in the process of being scrapped, Mr Couch sought to summarise the events of the last year and reassure the audience of the Government's continued commitment to balancing the Island's international reputation with a competitive tax structure.

Mr Couch emphasised that both ECOFIN and the Code Group had stated in 2003 that zero-ten taxation systems were 'not harmful in themselves' and that it was the relationship between the ARI and zero-ten that was under question. This explained the reasoning behind removing ARI altogether and, Mr Couch suggested, meant that the 2003 precedent, which cannot be ignored, would make further criticism of the Manx system difficult to sustain. As a consequence, no changes to zero-ten were anticipated. It was a strongly reassuring message.

Mr Couch continued by saying, somewhat tongue-in-cheek, "We should probably feel immensely proud… In essence, this tiny little mouse has gone out and confronted one of Hannibal's armoured war elephants".

Oh dear, Silly Billy, Malcolm. The UK has, as you well know, told you that the whole system is still under review, and the EU has said the same. They have said your whole tax system - not just ARI is unacceptable and all the onus is on you to prove otherwise. In light of that the comment made seems very foolish indeed.

But then, perhaps Malcolm's gung-ho. I gather Jersey are trying to poach him to be their new Chief Executive.

Note added 24 March 2011:

I have been asked by Malcolm Couch to say he has not been approached by Jersey

I am happy to correct the impression given, which I based on information received