

It's time for the Isle of Man to pay for its own public...

Published: January 13, 2026, 10:32 am

[Manx Radio have reported:](#)

Health Minister David Anderson says the Isle of Man must remain prepared to fight the United Kingdom over revisions to the VAT revenue sharing agreement.

When the UK last changed the agreement, it left the Manx government looking at a £140 million shortfall in finances over a number of years.

Mr Anderson says any further renegotiation by the UK could leave the Island with even more financial problems.

There's one problem for Mr Anderson and the Isle of Man: as I have shown, there remained a substantial subsidy for the Island in the last revision in 2009. I [generously estimated that subsidy at more than £40 million](#) at the time without taking some health, education and defence subsidies into account. I also suggested in 2009 that unless the Isle of Man radically changed its behaviour this subsidy was not worth giving.

The Isle of Man has not changed its behaviour, bar agreeing the incredibly limited information exchange required under the EU Savings Tax Directive since that time. As a result its tax haven activities still cost the UK hundreds of millions a year.

It's not surprising that the UK is demanding further reform the VAT agreement with the Isle of Man as a result. And the Isle of Man has not a leg of negotiating credibility to stand on.

In which case I'd suggest it's time the Isle of Man got used to the idea that it might have to pay for its own public services in future - out of tax they collect themselves. That will be a novelty for them.