

Isle of Man realises if its tax system is not abusive i...

Published: January 12, 2026, 11:36 pm

The Isle of Man is waking up to the reality of the situation it is facing.

A former head of the Isle of Man tax authority, Mark Solly, [has apparently written to all members](#) of the Tynwald (parliament) in the island suggesting that the island is in need of a radical new tax structure. That is needed because of the consequences of the reforms imposed on the island by the European Union necessitated because, as I pointed out over the last few years, its tax laws did not meet international expectations. As Mr Solly has realised the changes out in place to ensure the island complies with international requirements now leave it in a position where just about anyone in the Isle of Man with any serious wealth can avoid much or all of their tax bill unlike less well off people in the island who will be paying in full, and that as he notes is unfair and unsustainable.

That's the problem of 0% tax system on corporate profits. As I've long pointed out first of all it's unfair, second it's abusive internationally and third it's the route to national bankruptcy. The penny is beginning to drop in the Isle of Man, it now seems.

That realisation has been coupled to the new awareness that the island has permanently lost its VAT subsidy from the UK, also suggested by some to be a result of my work. This loss now means the island is in a dire economic position. It has also revealed the fact that it could only ever afford its low tax status because of the subsidy it got, ironically, from the UK tax payer.

As Isle of Man today notes Mr Solly has said:

'How much longer can the Isle of Man Government afford to go on reducing its tax base? The quicker the island's tax base is reduced, the quicker the government will run out of money.'

'How does the Isle of Man Government propose to recover the situation?'

Mr Solly says it's imperative that a new coherent national tax strategy is developed 'as a matter of urgency' — hopefully, with the consent of the electorate.

'There is after all, a general election in September. The strategy of "cut it and see" is surely no longer good enough.'

Quite so, and I'm pleased to see someone brave enough to say so in the Isle of Man.

But will they also be brave enough to move to be a post-tax haven society? That's the big question.