

IN-DEPTH

Mergers & Acquisitions

ISLE OF MAN



LEXOLOGY

Mergers & Acquisitions

EDITION 19

Contributing Editor

Mark Zerdin

Slaughter and May

In-Depth: Mergers & Acquisitions (formerly The Mergers & Acquisitions Review) provides a practical overview of global M&A activity and the legal and regulatory frameworks governing M&A transactions in major jurisdictions worldwide. With a focus on recent developments and trends, it examines key issues including relevant competition, tax and employment law considerations; financing; due diligence; and much more.

Generated: February 25, 2026

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. Copyright 2006 - 2026 Law Business Research

 LEXOLOGY

Explore on **Lexology** 

Isle of Man

Garry Manley and Katherine Garrod

Appleby

Summary

INTRODUCTION

YEAR IN REVIEW

LEGAL FRAMEWORK

FOREIGN INVOLVEMENT IN M&A TRANSACTIONS

SIGNIFICANT TRANSACTIONS, KEY TRENDS AND HOT INDUSTRIES

FINANCING OF M&A: MAIN SOURCES AND DEVELOPMENTS

EMPLOYMENT LAW

TAX LAW

COMPETITION LAW

SPECIAL CONSIDERATIONS

OUTLOOK AND CONCLUSIONS

ENDNOTES

Introduction

The Isle of Man is a Crown Dependency of the United Kingdom situated in the middle of the British Isles. It has a rich history and its own democratically elected Parliament called Tynwald, which dates back more than 1,000 years, making it the world's oldest continuous parliament.

As a jurisdiction, the Isle of Man has developed a reputation as a premier international finance centre in terms of innovation and regulation, successfully maintaining the delicate balance between providing a business-friendly environment and meeting international standards of financial supervision.

Financial and professional services account for approximately half of the Isle of Man's gross domestic product (GDP),^[1] with insurance making up the largest sector at 18.6 per cent of the Isle of Man's economy.^[2] It is, therefore, no surprise that financial services is the dominant sector for Isle of Man M&A activity.

Year in review

Overview of M&A activity

Recent M&A activity in the Isle of Man has been marked by strengthening ties to the Channel Islands, as well as some consolidation within the local financial services sector. Private equity interest in Isle of Man businesses remains a material feature of the market, although there was less movement than in some other recent years. We discuss this in more detail under the heading 'Significant Transactions, Key Trends and Hot Industries' below.

The Isle of Man's competition law regime has recently been updated. However, the merger control regime is still developing and requires further secondary legislation before crucial details are finalised and its impact on future M&A activity can be fully understood.

Developments in corporate and takeover law and their impact

The City Code on Takeovers and Mergers (Takeover Code) applies in relation to takeovers of certain Isle of Man companies, although changes implemented on 3 February 2025 have narrowed the scope of its application in respect of companies with their registered office in the Isle of Man.

Amendments to the Companies Act 2006 (2006 Act) came into force on 1 April 2025, which introduced more stringent reporting requirements for companies incorporated under the 2006 Act. Whereas previously such companies only had to provide details of their directors to the Isle of Man Companies Registry (Registry) annually as part of their annual return, now they must file their register of directors at the Registry and file any changes within one month. These measures may reduce diligence risk by improving transparency around corporate governance, but they also add new administrative obligations on completion of M&A transactions.

Isle of Man merger control laws are still developing. While the Competition Act 2021 came into operation in January 2025, further secondary legislation setting out notification thresholds is still required before its impact on future transactions can be fully understood.

Legal framework

The Isle of Man has two co-existing company law regimes. Companies can be incorporated under either the 2006 Act or the Companies Acts 1931-2004 (1931 Act). The legislation under which a company is incorporated provides the legal framework for its operation in all areas, including in relation to mergers and acquisitions. It is possible for a 1931 Act company to re-register as a 2006 Act company and vice versa. The 1931 Act has some additional rules applying to public companies, whereas the 2006 Act does not distinguish between public and private companies.

Isle of Man companies are listed on many of the world's major stock exchanges, so if an Isle of Man target is listed, local advice should also be obtained in respect of the requirements of applicable stock exchange rules. The Takeover Code applies in relation to takeovers of certain Isle of Man companies, whether structured as contractual offers or schemes of arrangement.

Private acquisitions of Isle of Man companies are typically structured as either a share sale or an asset sale, or sometimes by way of statutory merger. Acquisitions of listed Isle of Man companies can be structured as schemes of arrangement, contractual takeover offers or statutory mergers. Regulated sectors are subject to additional requirements, with prescribed statutory processes for any sale of the business of a bank or life insurer.

Both the 1931 Act and 2006 Act set out a minority squeeze-out procedure which is available where an offer is approved by the holders of at least 90 per cent in value of the shares affected within a specified period.

Court-sanctioned schemes of arrangement between companies or between a company and its members may be undertaken under either the 1931 Act or the 2006 Act, with broadly similar processes under each Act. The scheme must be approved by a majority in number representing 75 per cent in value of the members present and voting at the meeting.

The 2006 Act provides a framework for the statutory merger of two or more Isle of Man companies, without the need for court approval. The scheme must be approved by members holding at least 75 per cent of the voting rights exercised. While the statutory merger regime is only available to 2006 Act companies, 1931 Act companies may re-register under the 2006 Act to take advantage of its merger process. The surviving or consolidated company may re-register under the 1931 Act once the merger has been completed, if desired.

Isle of Man companies cannot merge with overseas companies. However, if the laws of the other jurisdiction allow, an overseas company can redomicile to the Isle of Man and then merge with an Isle of Man company.

Foreign involvement in M&A transactions

There are strong links between the Isle of Man and the other Crown Dependencies. A number of native Isle of Man investment managers and trust and corporate service providers (TCSPs) have recently undertaken strategic acquisitions in Jersey, while the Isle of Man's largest telecoms operator, Manx Telecom, is to be acquired by Jersey Telecom (with private equity backing). Additionally, investment managers, general insurers and professional services firms straddling the Crown Dependencies have seen significant M&A activity this year.

Significant transactions, key trends and hot industries

There has been a recent trend for local consolidation within the financial services sector. For example, during the last 18 months: MAC Group announced the acquisition of Thornton Chartered Financial Planners' client portfolio; iPlan Retirement Solutions Limited acquired local pension service provider Equilibrium Pensions Limited; Charterhouse Lombard acquired the book of business of BSpoke 360 Limited; and Isle of Man Assurance Limited (IOMA) sold its wealth book of long-term insurance business to RL360 Life Insurance Company Limited and its pension book to Boal & Co (Pensions) Limited.

Recent years have seen significant private equity investment in Isle of Man TCSPs. While quieter this year, there was still some activity with Valeas Capital Partners agreeing to succeed Palatine Private Equity as backer of Suntera Global, a provider of fund, corporate, trust and private wealth services. Palatine had supported Suntera's original management buyout in 2019, which was followed by a period of substantial expansion through organic growth and strategic global acquisitions.

Many other deals this year saw Isle of Man financial services businesses expand their operations in the Channel Islands. Capital International Group Limited announced acquisitions of Jersey-based investment firms Martello Asset Management Limited and Affinity Private Wealth's APW Investors Limited. Isle of Man-headquartered Boston Multi Family Office also expanded its operations into the Channel Islands by acquiring Aqua Group, a family office and fiduciary business based in Jersey, Malta and the UK.

There were also several acquisitions of cross-Crown Dependency groups, such as: Pollen Street Capital's acquisition of the Leonard Curtis Group of professional services companies, including Leonard Curtis C.I. Limited in Guernsey and the Isle of Man; PIB Group Ltd's acquisition of Guernsey-based general insurance specialists Ross Gower Group, which provides insurance to a client base across the Channel Islands and the Isle of Man; and Canaccord Genuity Wealth (International) Holdings Limited's acquisition of Brooks Macdonald Asset Management (International) Limited, complementing its existing Crown Dependencies capabilities.

The Channel Islands connection has also been strengthened outside the financial services sector, with Jersey Telecom recently agreeing to acquire the Isle of Man's leading telecoms operator, Manx Telecom, in a strategic partnership with CVC DIF, the dedicated infrastructure investment strategy of global private markets manager CVC Capital Partners.

Wider global transactions can often have an Isle of Man element, given the Isle of Man's role in the global financial services industry. For example, Mubadala-owned Corient's pending acquisition of Stonehage Fleming, one of the world's leading independently owned multi-family offices, will include multiple regulated entities in the Isle of Man.

Isle of Man domiciled investors have also played a significant role in M&A activity overseas, with Isle of Man-based Dbay Advisors undertaking take privates of formerly AIM-listed Alliance Pharma PLC and Anexo Group PLC, each through Isle of Man corporate bid structures.

Financing of M&A: main sources and developments

Funding of M&A transactions involving Isle of Man companies or businesses is generally no different to other jurisdictions, with any combination of cash, debt and equity commonplace. The choice of financing will depend upon transaction structure, the buyer, the nature of the target's business and the relevant cost of cash, debt or equity.

There is no prohibition against an Isle of Man company providing financial assistance in connection with the acquisition of its own shares (other than for public 1931 Act companies). However, any distribution to shareholders must be carried out in accordance with the rules of the relevant Act and common law duties (such as the financial assistance being in the company's best interests).

Private equity investment has been notable in the financial services sector, particularly into TCSPs (see the Valeas-Suntera transaction mentioned above).

Jersey Telecom's acquisition of Manx Telecom in a strategic partnership with CVC DIF is an interesting example of a strategic buyer teaming up with a financial investor as a source of financing.

Employment law

There have been a number of recent enhancements to the rights of Isle of Man employees, which would need to be considered when carrying out due diligence on an Isle of Man target, including, among other things, rights for time off to attend antenatal and adoption appointments and to care for dependents, rights to shared parental leave and parental bereavement leave, and changes to the minimum wage.

Tax law

There is no capital gains tax, inheritance tax, stamp duty or stamp duty reserve tax in the Isle of Man. The Isle of Man charges value added tax, in most cases at the same rates as the UK and on the same goods and services. The standard rate of income tax for Isle of Man tax resident companies is 0 per cent. Other rates apply to large retail businesses and

certain income sources, principally from banking, petroleum extraction and Isle of Man land and property.

To comply with the OECD's Pillar 2 Global Minimum Tax Model Rules, the Isle of Man introduced a domestic top-up tax (DTUT) for fiscal years commencing on or after 1 January 2025 to ensure that in-scope multinational enterprise (MNE) groups have an effective tax rate of 15 per cent on their Isle of Man profits. The DTUT is separate from the Isle of Man income tax. The Isle of Man also implemented a multinational top-up tax that applies in certain circumstances where the Isle of Man entity is the ultimate parent or an intermediate parent of an in-scope MNE group.

Competition law

The Competition Act 2021 came into operation in January 2025, which introduced a merger control regime into Isle of Man law for the first time. However, secondary legislation setting out the notification thresholds needs to be passed before the regime comes fully into force. Drafts of that secondary legislation are not yet available, but there are expected to be both revenue and market share thresholds.

Special considerations

All 2006 Act companies are required to have a registered agent (who must be a locally licensed TCSP), who performs a role similar to a company secretary and will normally be responsible for updating a target's register of members at completion. Many 1931 Act companies will also receive services from locally licensed TCSPs. TCSPs are regulated by the Isle of Man Financial Services Authority (IOMFSA) and subject to comprehensive anti-money laundering rules, so they will need to complete their own know-your-customer checks on incoming shareholders before they can update the register of members, or similarly gather information on incoming directors before they can update the register of directors. It is always advisable for a buyer to ask to be introduced to the target's TCSP as soon as possible in the sale process to ensure that the buyer satisfies their know-your-customer requirements before completion.

Changes of ownership and control of entities regulated by either the IOMFSA or the Gambling Supervision Commission (GSC) are subject to regulatory consent and/or notification requirements. While the consent of the IOMFSA is not strictly required in all cases, it is market practice to obtain confirmation from the IOMFSA that it will not object to a change of control before proceeding to completion. This is usually reflected through a condition precedent in the transaction documents. The GSC issued new guidance in June 2025, setting out its expectations where there is any change in shareholder or beneficial ownership of online gambling licence holders. Licence conditions mean that, in practice, the prior consent of the GSC is needed for any change, although the threshold is higher for listed entities.

Outlook and conclusions

Autumn 2026 will see both a general election in the Isle of Man and its onsite inspection by Moneyval. Moneyval undertakes mutual evaluations in respect of assessing countries' compliance with the standards of the Financial Action Task Force (FATF) and the Isle of Man has undertaken significant work over a number of years to prepare for this assessment.

Legislative reforms to the primary legislation for financial services have been proposed, which will likely come into force in the first half of 2026. Among other things, this is likely to alter the definition of a controller for the purposes of the regulatory consent and/or notification requirements mentioned above.

We expect the introduction of the remaining merger control legislation to be delayed until after the election.

Endnotes

- 1 Finance Isle of Man Programme 2025-26
<https://www.financeisleofman.com/media/1rnejy45/finance-isle-of-man-programme-2025-26-compressed.pdf> ^ [Back to section](#)
- 2 Isle of Man National Income 2022/23 published by Statistics Isle of Man, Cabinet Office, January 2025
<https://www.gov.im/media/1387432/national-income-2022-23-report-final-070225.pdf> ^ [Back to section](#)

APPLEBY

Garry Manley
Katherine Garrood

gmanley@applebyglobal.com
kgarrood@applebyglobal.com

[Appleby](#)

[Read more from this firm on Lexology](#)