

The Isle of Man

A world leader

The Isle of Man has a well-established and successful financial services sector and should be top of any prospective investors list.



An enviable record of political stability

Friends Provident International is incorporated in the Isle of Man. The island is located in the middle of the Irish Sea, roughly half way between England and Ireland and is part of the British Isles. The island is a self-governing, protectorate of the British Crown, with a high degree of legislative and political autonomy, enacting its own laws and tax system, independent of the UK.

It is not part of the United Kingdom, or a member of the European Union, and it has an independent legal system that follows English law. The head of state is the Lord of Mann, which is a hereditary position held by King Charles III.

The government of the Isle of Man is a parliament called Tynwald. From Norse origins, it has operated continuously for over 1,000 years, making it the oldest parliament in the world. The Manx political system is not based on party politics and its ministerial style of government is led by the Chief Minister and acts by consensus. This has helped to create an environment of political stability.

The Isle of Man government understands that the most effective way to create a successful business environment is to engage with the private sector. In turn, this helps the government respond with insight and agility to the challenges of the global economy.

This legislative and political stability and the island's autonomy make it attractive to customers seeking a base for their assets outside of their home country.

Financial strength and transparency

The Island has excellent financial strength ratings. Moody's rated the island Aa3 in 2025. Moody's stated: "The Isle of Man's credit profile is supported by its high wealth levels, track record of solid economic growth, strong institutions, prudent fiscal policies, very low direct debt and substantial reserves."

The Isle of Man is also an active member of the OECD and was an early adopter of the global Common Reporting Standard and fulfils its obligations to provide full automatic exchange of tax information globally. The Isle of Man won the prestigious Best International Finance Centre award at the 2025 International Adviser Product and Service Awards for the 7th time in 9 years.

Sophisticated and effective regulation

The island's principal regulator is the Isle of Man Financial Services Authority (IOMFSA), an independent statutory body responsible for the licensing and supervision of Isle of Man based banks, building societies, investment businesses, collective investment schemes and corporate and trust service providers. Their regulatory objectives are:

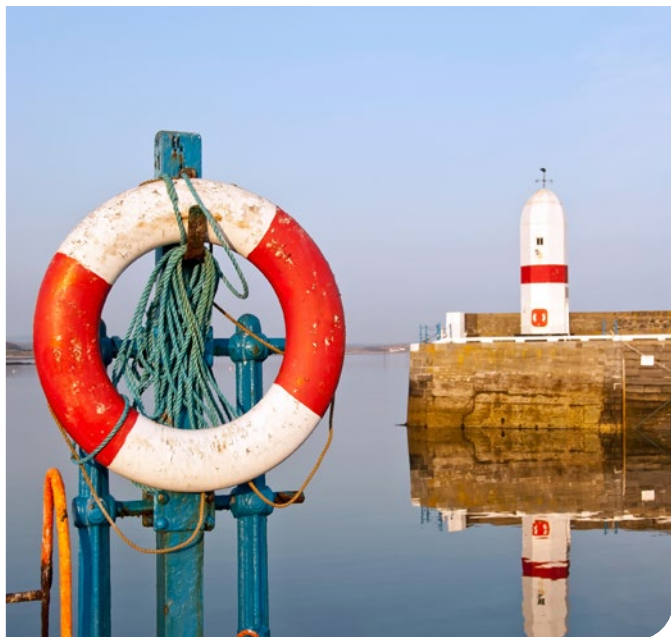
- securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- the reduction of financial crime; and
- the maintenance of confidence in the Island's financial services, insurance and pensions industries through effective regulation, thereby supporting the Island's economy and its development as an international financial centre.



The FSA maintains legislation that consistently protects the interests of customers.

In 2019, the IOMFSA introduced a new Conduct of Business Code designed to complement the Island's existing regulatory framework and provide enhanced customer protection and greater transparency.

The IOMFSA is highly respected worldwide, and liaises closely with other regulators to ensure those who choose the Isle of Man for their financial products can be sure of the highest standards of regulation and protection.



Solvency Requirements

In 2019, the IOMFSA introduced a risk-based capital aid solvency framework which was built on the Insurance Core Principals (ICPs) published by the International Association of Insurance Supervisors (IAIS).

The IAIS is a voluntary organisation of insurance supervisors and regulators from more than 200 jurisdictions. Its mission is to promote effective and globally consistent supervision of the insurance industry that maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and contribute to global financial stability.

The IOMFSA's solvency framework requires that all Isle of Man insurers (including Friends Provident International, RL360 and

RL360° Services) set aside technical provisions which are expected to allow all policyholder liabilities to be met as they fall due for payment.

The Isle of Man insurance regulations also require that insurers hold a minimum level of solvency capital over and above the technical provisions. This solvency capital is calculated as the amount of capital required for an insurer to withstand a 1-in-200 year shock over a 1-year time horizon. All three insurers within IFGL are capitalised in excess of this regulatory minimum solvency capital requirement.

All IFGL insurance businesses are also subject to IFGL's own Capital Management Policy. The Capital Management Policy forms part of the overall risk management framework and sets out the levels of solvency capital that all insurance entities within the group must maintain in excess of the regulatory minimum.

The Capital Management Policy ensures that capital is managed appropriately within the business, which helps provide appropriate protection to policyholder investments.

Compensation reinsurance

The Isle of Man has a Policyholder Compensation Scheme which protects policyholders should an insurer become insolvent. Subject to the terms of the scheme, policyholders are eligible to receive up to 90% of the insurer's liability as it relates to their policy, wherever they may reside.

The Isle of Man also provides an Ombudsman Scheme, which is a free, independent dispute resolution service for customers who have been unable to resolve a complaint with their financial services provider directly.

Conduct of Business

Since 2019 all Isle of Man providers regulated by the IOMFSA are required to meet the requirements of the IOMFSA's Insurance (Conduct of Business) Code. This far-reaching and forward-thinking legislation represents the high-watermark of regulation in international financial services and sets the standard for other jurisdictions to follow.

The code promotes greater transparency around the fees and charges applied to policyholders, introduced a mandatory 30 day cancellation period and places greater responsibility on providers to ensure that financial advisers who distribute their products have the appropriate regulatory authorisation, knowledge and experience to advise customers properly.

Aa3 - Moody's rating

"The Isle of Man's credit profile is supported by its high wealth levels... very low direct debt and substantial reserves."

Award-winning

The Isle of Man won the prestigious Best International Finance Centre award at the 2025 International Investment Fund and Product Awards for the seventh time in 9 years.

OECD compliance

The Isle of Man has the top compliant rating for global tax transparency from the OECD, one of only a handful of offshore jurisdictions to achieve it.



The Conduct of Business code is designed to bring about better outcomes for customers and underlines the Island's commitment to providing the highest standards of protection to policyholders.

Favourable policyholder taxation

The Isle of Man has a clear and simple tax regime with no Capital Gains Tax, Withholding Taxes or Wealth Taxes. Customers with Isle of Man policies do not pay income, capital gains or corporation taxes on the underlying funds in their policies (apart from unrecoverable withholding taxes applicable on interest and dividends in certain countries). The investment will accumulate virtually free of tax, unlike in many countries where life insurance funds are taxed at source. This "gross roll-up" can have a significantly positive impact on investment returns over time.

Free choice of beneficiary nomination

There is no concept of forced heirship in the Isle of Man. As the territory follows English common law, instead investors have the freedom to pass on assets to whoever they choose. This can be achieved through the simple nomination of a beneficiary, or via a trust, which means Isle of Man policies can be effective vehicles for succession planning.

Data protection

The Isle of Man data protection legislation promotes high standards in the handling of personal data by organisations including life insurers. Individuals have certain rights set out by law and there are penalties for breaching responsibilities. The Isle of Man is a progressive government that takes its responsibilities to policyholders seriously and its data protection regime mirrors the high standards of the EU General Data Protection Regulation.

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