

Isle of Man
Government

KEY E-COMMERCE LOCATION CONSIDERATIONS

Meeting with Accountancy Journalists
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Background Facts

- Located at the heart of the British Isles
- NOT part of the UK
- Special relationship with the EU
- Worlds oldest continuous parliament
- Population of 76,315
- 52% of population not born on the IOM
- 0.04% unemployment
- GDP forecast to grow by 6% per year over next 3 years
- 43% growth in ICT sector
- Financial services account for 42% of GDP
- Government spending currently £418 million
- National debt of £ 7,500
- Standard & Poor's and Moodys "AAA" credit rating
- 93% satisfied with IOM as a place to live
- 70% satisfied with the way Government runs the IOM



Key E-Commerce Location Considerations

- Telecoms infrastructure
- Availability of financial assistance
- Political stability and reputation
- Committed Government
- Appropriate e-friendly legislation
- Appropriate support services
- Availability of labour with appropriate skills
- Competitive set up and operating costs

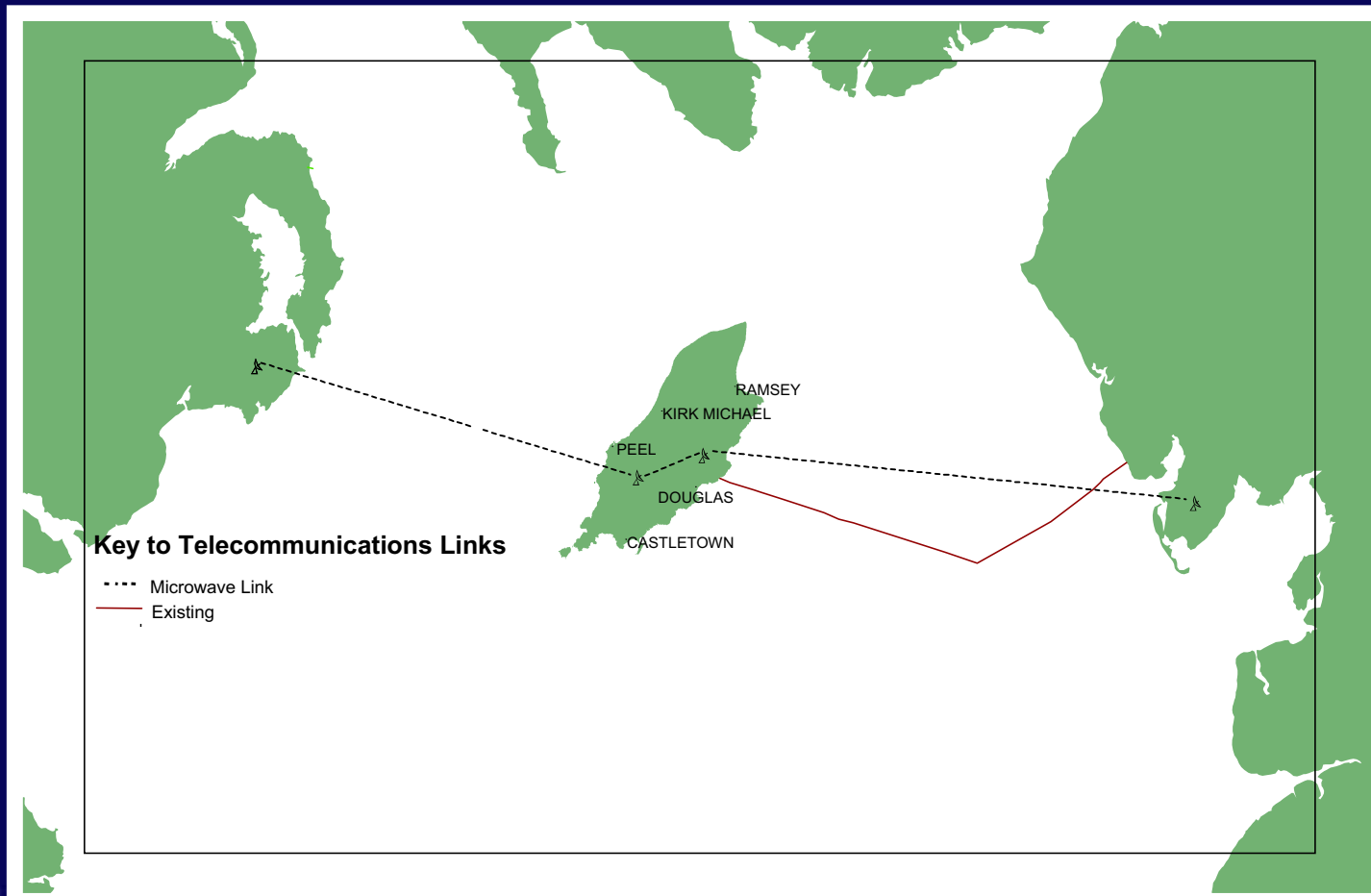


Leading-edge Telecommunications Infrastructure Offering High Bandwidth Resilient Services

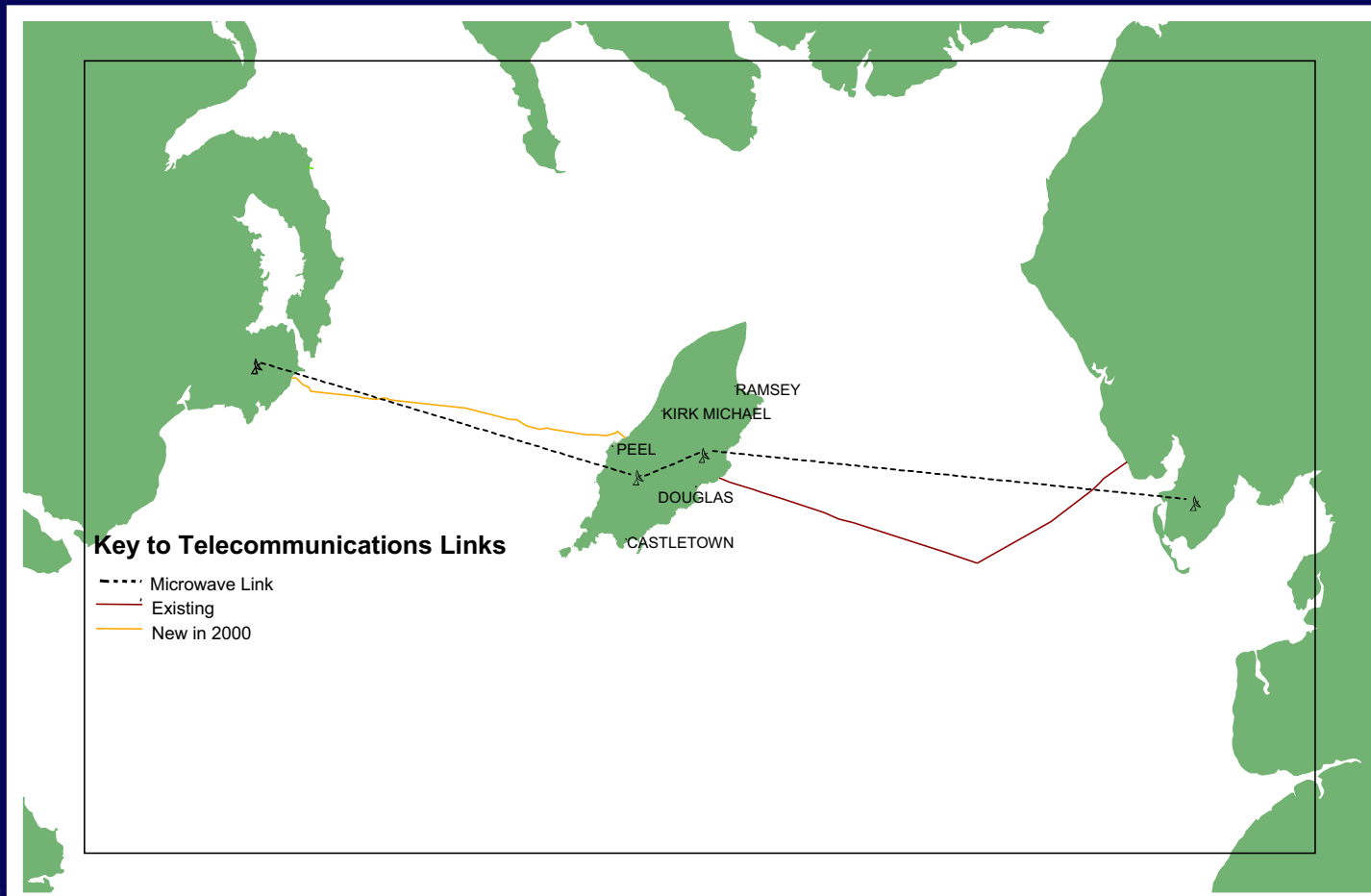
- Manx Telecom - the Island's telecoms provider
- Telecoms showcase
- Almost £50m invested over last five years
- Fully digital switching system and core infrastructure
- Unmetered Internet access
- Third generation mobile phone services (UMTS) available
- Choice of independent ISP's, web-hosting services, business continuity and IT co-location providers
- Fibre optic and electricity capacity and resilience



Isle of Man – Telecommunication links



Isle of Man – Telecommunication links



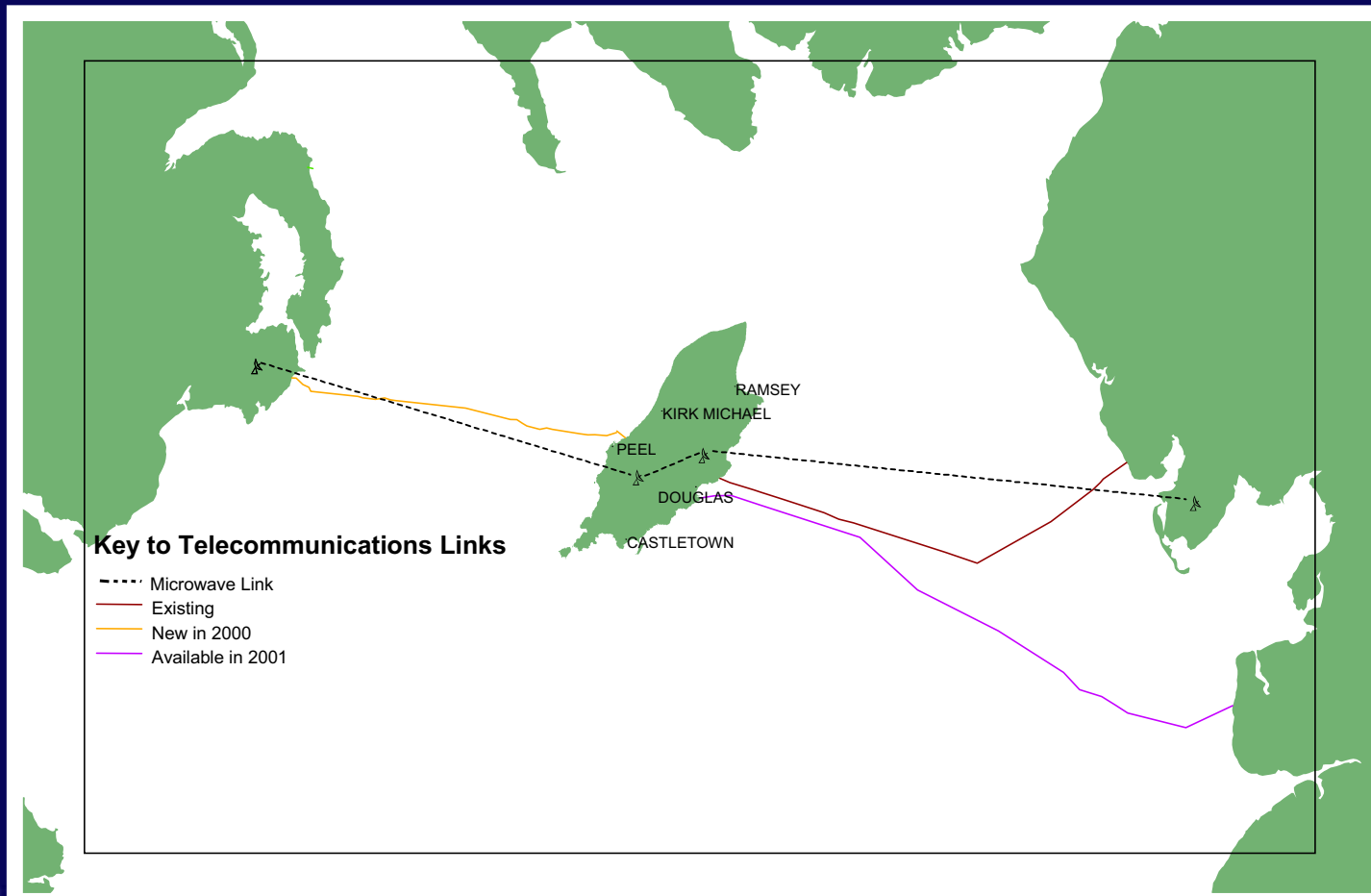


Off-island Links

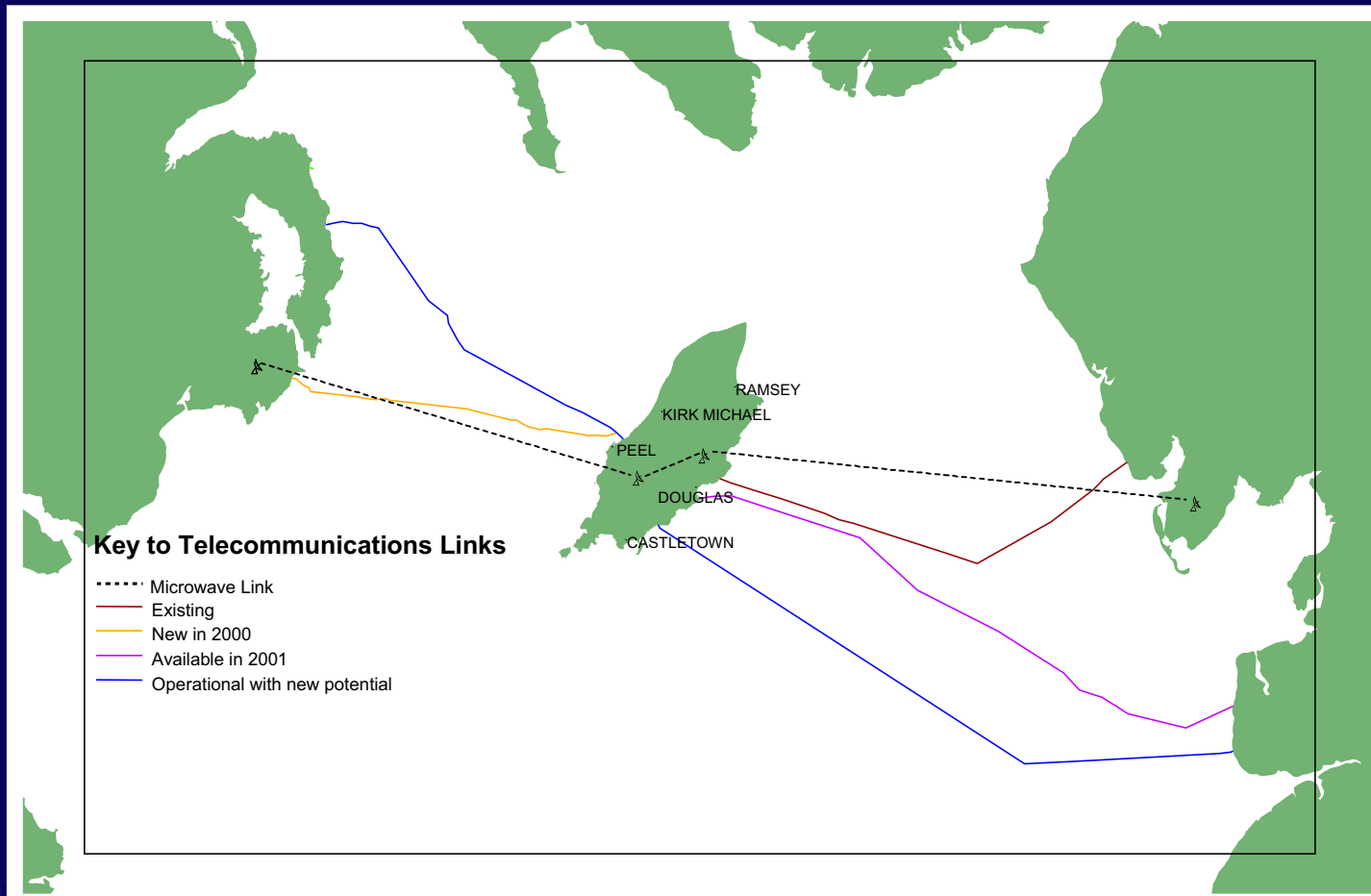


Unique offshore self healing ring

Isle of Man – Telecommunication links



Isle of Man – Telecommunication links



Providing Attractive Financial Incentives and Tax Structures

- 40% plant and machinery grants, to include all hardware, software and maintenance contracts
- 40% building grants either for new build or for rents payable
- 40% revenue grants encompassing expenditure from research and development, relocation, consultancy, marketing and quality and environmental standards
- 50% training grants



Providing Attractive Financial Incentives and Tax Structures – Cont'd

- The above incentives apply to existing and new ventures and can be applied for on an annual basis
- The department's scheme can accommodate capital assets obtained on lease/hire purchase finance
- Free ISDN Highway and ADSL connections for business and individuals



Commitment to reduce corporate and personal taxes

Current Taxation Rates:

<i>Corporate</i>	-	Higher	18%
		Standard	10%
<i>Personal</i>	-	Higher	18%
		Standard	10%

Proposed Taxation Rates:

<i>Corporate</i>	-	Standard	0%
<i>Personal</i>	-	Higher	15%
		Standard	10%



Political Stability and Reputation

- World's oldest continuous parliament
- Crown Dependency of the UK
- Standard & Poors and Moodys "AAA" Credit rating
- Not part of the EU
- Absence of party politics
- Not on OECD blacklist
- Endorsements by Edwards Report, the Financial Action Task Force (FATF) and the Financial Stability Forum (FSF)
- Endorsements by United Nations
- The Isle of Man has been the winner of 9 Industry Excellence Awards since 1999



Committed Government

- Formulating and implementing an e-commerce and e-society strategy
- Chief Minister has taken personal responsibility for E-Commerce
- Ensuring that the existing business base becomes e-enabled
 - SME workshops
 - Sector specific initiatives
 - Free ADSL and ISD connections



Committed Government – cont'd

- Commitment of resources - £22.4 million over the last 2 ½ years
- No charge to Manx Telecom for its 3G licence
- Marketing strategy to raise the profile of the Island's e-commerce advantages



Government Practicing what it Preaches

- MAGIC (Manx Government Internet Connectivity) Project to connect over 2,500 PCs to e-mail and the Internet
- JUPITER (Joined UP Information Technology for the Electronic Resident) Project to facilitate joined-up Government and improved levels of service to the citizen



Creating the Right Legal Infrastructure to encourage e-commerce

- Data Protection Act 1986
- Copyright Act 1991
- Computer Security Act 1992
- Supply of Goods and Services Act 1996
- Copyright (Amendment) Act 1999
- Electronic Transactions Act 2000
- Online Gambling Regulation Act 2001
- Disaster Recovery (Temporary Relocation) Regulations 2002



Excellent Professional Support Service

- Choice of 5 ISP's
- Website design facilities
- Software and hardware suppliers
- e-commerce solutions providers
- Business continuity services
- International tax experts
- International legal advisors
- International bank facilities



Providing Appropriate Education and Training

- Probably the first education authority in the British Isles to have all classrooms wired up for internet access
- Modern computer to student ratio:
 - 1:7 in Primary * (UK 1.13)
 - 1:5 in Secondary (UK 1.8)
 - * Isle of Man all less than 3 years old
- Every full time teacher has been given a laptop for professional use



Summary of Main Advantages

- Clear and unequivocal Government support for e-commerce
- State of the art telecommunications infrastructure
- High bandwidth self-healing fibre ring connectivity
- Europe's first 3G (UMTS) mobile phone service
- Unmetered Internet access
- Legislation in the form of the Electronic Transaction Act 2000 to provide the necessary legal framework for e-commerce to grow



Summary of Main Advantages – cont'd

- Political stability and enviable international reputation
- New tax strategy designed to reduce corporate tax down to 0% by 2006
- High computer to pupil ratios in schools coupled with training programs designed to meet business needs on the Island
- Generous financial packages of support available to qualifying businesses



Summary of Main Advantages – cont'd

- Comprehensive support services of the type and quality expected of an international finance centre
- A clear commitment to deliver seamless Government to the citizen and business electronically
- Internationally accredited financial regulation providing customer and investor confidence
- Proportionate and effective consumer and data protection, again, providing confidence to the customer and businessman



Questions?

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E-COMMERCE

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