

# Enterprise Act 2008 Financial Assistance Scheme Guidelines

ISSUED BY THE DEPARTMENT FOR ENTERPRISE

MAY 2024

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# Department for Enterprise Financial Assistance Scheme Guidelines

## Disclaimer

The information contained in this document is intended to serve as guidance as to the manner in which the Department for Enterprise (a Department of the Isle of Man Government) ('the Department') exercises its powers to provide financial assistance to eligible businesses under the Enterprise Act 2008. The content is intended to be general in scope and should not be relied upon as advice.

Provision of financial assistance is discretionary and the decision to provide assistance in any particular case will be based on the merits of the case. The amount of assistance offered may be less than that shown as typical in these Guidelines or no offer may be made at all.

The Department may amend these Guidelines from time to time. While every effort has been made to ensure that the content was correct and up-to-date at the time of publication the Department does not accept any responsibility, legal or otherwise, resulting from any errors or omissions and shall not be liable for any losses or damage that anyone may suffer as a result of relying on the information contained herein.

## 1. Terms used in these Guidelines

Act	The Enterprise Act 2008 <sup>1</sup>
Department	The Department for Enterprise (DfE)
Financial assistance	Any grant or loan paid to an applicant under the Scheme
Regulations	The Enterprise Act 2008 (Eligible Businesses) Regulations 2018 <sup>2</sup>
Scheme	The Financial Assistance Scheme (FAS) (see paragraph 2. )
Programme for Government	A strategic plan prepared by the Council of Ministers with involvement and input from Chief Officers, Department and Tynwald members.

Prospective applicants may wish to take professional advice before making an application and should seek advice in relation to any documents they are asked to sign whereby they offer security for any financial assistance offered to them.

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<sup>1</sup> See [https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2008/2008-0017/EnterpriseAct2008\\_2.pdf](https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2008/2008-0017/EnterpriseAct2008_2.pdf)

<sup>2</sup> See <http://www.tynwald.org.im/business/opqp/sittings/Tynwald%2020162018/2018-SD-0177.pdf>

## 2. The statutory framework for providing financial assistance

The Act gives the Department statutory authority to provide financial assistance (and other forms of assistance) to an ‘eligible business’ where, in the Department’s opinion:

- “(a) the eligible business undertakes or will undertake an economic activity in the Island;*
- (b) the assistance is likely to encourage sustainable economic growth in the Island;*
- (c) the form and amount of the assistance is reasonable having regard to all the circumstances.”*

In order to be eligible for financial assistance from the Department an eligible business must meet the criteria set out in **the Enterprise Act 2008 (Eligible Businesses) Regulations 2018**.

Section 4(5) of the Act requires the Department to publish information to serve as guidance with respect to the manner in which it exercises its powers to provide financial assistance to eligible businesses under the Act. This document is intended to constitute such guidance.

Note that purely for ease of reference the various discretionary incentives available under the Act to eligible businesses and which are set out in these Guidelines are referred to collectively as the Financial Assistance Scheme (“the Scheme”) but there is in fact no separate Scheme document.

## 3. Overview of the Scheme

The Scheme is a **discretionary** financial assistance scheme to encourage economic growth and diversification of the economy. It provides a range of grants and, on occasion, loan support to eligible businesses (both new and existing) to help achieve this purpose. The Scheme aims to:

- attract inward investment to the Isle of Man which will provide economic benefits (revenues, jobs, profits, expenditure in the local economy) and associated fiscal benefits (direct and indirect taxes);
- assist existing businesses to grow and to consider the Isle of Man as the location of choice for future developments. This growth is expected, on most occasions, to include an increase in the number of employees.

The main objectives of the Scheme are to encourage job creation, wealth creation, increase exports, import substitution and exchequer benefit. The Scheme encourages existing businesses to adopt new technologies and practices, and new businesses to develop on the Island. The opportunity exists not only to encourage new projects, but also to develop projects in conjunction with private sector partnerships and contacts.

The Scheme can offer a generous package of financial assistance to eligible businesses that meet the criteria set out in these Guidelines. Assistance that is available includes:

- capital grants towards the costs of new buildings, building improvements, new plant and machinery, hardware and software;
- operating grants towards:
  - costs associated with the establishment of a project;

- costs relating to specific new off Island marketing ventures;
- implementation of quality standards and energy conservation;
- renting a factory from a private developer for the initial period of a new project;
- salary costs in respect of certain staff from outside the Island who relocate to the Island etc. (see further at Appendix 6);
- training grants will be considered but must relate to a project in respect of which financial assistance is being given.

The above incentives apply to both existing and new ventures and, subject to the rules at paragraph 7. Businesses may submit repeat applications. Applicants should inform the Department as to the likely frequency and nature of potential future applications, to help assess the appropriate level of financial assistance.

#### **4. Factors relevant to the award of financial assistance**

Any business requesting assistance must have at least one employee who is or (in the case of a new business or business relocating to the Island) will be resident for tax purposes in the Island, while in the case of a sole trader, the business must be the principal business of the individual.

In addition, a business must fall within the current policy of the Department as set out in these Guidelines. The level of any financial assistance offered (if any) will be in proportion to the expected economic benefit to the Island. This is measured through the exchequer benefit created from new jobs and new construction work and the Department's aim is to see any investment made returned within a maximum 5 year period. Among the factors which will be taken into consideration are:

- wages and salaries;
- job creation;
- location of beneficial shareholders;
- local spend;
- dividend policy.

There are a number of other factors that the Department applies when considering an application for financial assistance in order to meet other economic, social and wider Government objectives. These are set out below.

##### **4.1. Sectoral diversification**

New sectors which help to reduce overall economic risk to the Island may be offered a higher percentage of financial assistance.

##### **4.2. Diversification of the employment base**

Provision of a diverse range of jobs to aid full employment is taken into account.

##### **4.3. Protection of historic businesses/sectors**

Where a particular sector and / or business is considered to have made an important, long standing contribution to the Island, this is taken into account.

#### 4.4. Additionality

Only projects which further develop the business and the economy are supported. For example, businesses are expected to replace obsolete or obsolescent equipment at their own cost, whereas a grant application for new equipment which will expand an existing product range, generate new revenues and thus grow jobs and taxes, is eligible to apply for financial assistance.

Where new equipment is being purchased and there is a replacement element, financial assistance is reduced accordingly. The Department appreciates that advances in technology mean that new equipment may result in efficiencies and better quality output. These factors are taken into consideration when a decision as to whether to support an application is made.

#### 4.5. Proportionality

The level of financial assistance offered is proportionate to the economic and fiscal benefits forecast, the number and value of jobs being created and perceived likelihood of success. Also, where projects are judged to be high risk, staged payment of grants may be conditional upon achieving specified levels of turnover, profit, salaries, local spend or employment numbers based on the applicant's business plan. Furthermore, security may be required in order to mitigate the risk of failure in order to enable the Department to recover any grants paid. Security may take the form of fixed charges upon land, buildings and machinery and/or floating charge.

#### 4.6. Participation in workforce initiatives

The levels of financial assistance offered varies from sector to sector (see further at paragraph 5. below). Maximum financial assistance is usually only available to established local businesses that participate in at least two of the following:

- Investors in People (IIP) (either working towards or having attained the standard)<sup>3</sup>;
- the STEP programme, an undergraduate work placement programme<sup>4</sup>;
- the Awareness of Careers in Engineering programme (ACE);
- provision of a training programme by the applicant in which at least one trainee or apprentice is taken on annually, the training costs of which are paid for by the employer and the outcome is a qualification recognised by the Department<sup>5</sup>;
- collaboration with the Disability Employment Service (DES) to employ at least one person with a disability who is registered with the service.
- ISO or similar accreditation relevant to the applicant's business;
- active involvement in Government led clustering initiatives and any associated business improvement programme;

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<sup>3</sup> <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/investors-in-people/>

<sup>4</sup> <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/step-programme/>

<sup>5</sup> <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/vocational-training-financial-support-scheme/>



- active involvement in the community including participation in such events as school work experience programmes or working with local third sector organisations.

The usual requirement to participate in some of these initiatives does not apply to a business in its first two years of operation, a business relocating to the Island (during its first two years) or a business employing fewer than five people, unless the business is part of a larger group already operating on the Island.

For other organisations which do not participate in any of the above, then the maximum financial assistance offered and/or paid will be at least 10 percent below the norm for that industry. Checks will be made at the time of payment that the applicant is continuing to participate in at least two of the initiatives which were included on the application form.

#### **4.7. Living wage**

Businesses that pay its employees at least the living wage are more likely to receive a higher level of grant assistance (up to the maximum of 40%) than those who only pay the minimum wage. In relation to an application for financial assistance if the business is growing and taking on employees, then such employees should be paid at least the living wage.

It is noted that a business in its start-up phase or in certain sectors may not be able to pay the living wage, The Department will therefore assess each case on its individual merits. This may result in an award of assistance below the 40% maximum level.

#### **4.8. Single use plastics & recycling**

The Isle of Man Government has recently committed to significantly reduce the amount of single use plastics.

Single use plastics represent an unsustainable use of resources and make a significant contribution to global greenhouse gas emissions. In assessing applications for financial assistance the Department will want to understand how the business deals with sourcing raw materials and recycling waste product. Therefore a business is more likely to achieve a higher level of grant assistance (up to the maximum of 40%) if it has an internal sustainable sourcing and recycling policy or is working towards ISO 14001 standard<sup>6</sup>.

#### **4.9. Other factors**

Where the Department is providing financial assistance to businesses then it is expected that those businesses will work with Government to provide opportunities for all sectors of the potential workforce.

Sector bodies may make representation to the Department where they have evidence that their sector fits with and supports the Department's current economic strategy and priorities or where current Departmental policy is not to offer any financial assistance.

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<sup>6</sup> [https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/introduction\\_to\\_iso\\_14001.pdf](https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/introduction_to_iso_14001.pdf)

**Importantly, financial assistance cannot be considered for items of expenditure which have been purchased prior to submission of a FAS application form (see paragraph 11. ). The relevant date is the date the Department receives the application form.**

In addition to the Scheme, the Department has other schemes which may be relevant to some applicants.

Enterprise Support can advise applicants regarding such schemes, and eligibility requirements. Contact details of the team are as follows:

Enterprise Support  
Department for Enterprise  
1st Floor  
St George's Court  
Upper Church Street  
Douglas  
Isle of Man  
IM1 1EX  
Tel: +44 1624 687333 / email: [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im)

## **5. Policy approach in relation to specific sectors and activities**

### **5.1. Introduction**

Financial assistance is available for:

- primary, export-earning sectors as these are key to the growth of the economy;
- facilities developed for visitor use (hotels and related attractions); and
- local leisure, if the type of facility is not already available within easy travelling distance.

Financial assistance is not usually available for:

- secondary sectors, such as construction, retail, bars and restaurants, or miscellaneous services (e.g. hairdressing, cleaning).

While these latter, domestically-focused sectors play an important role in ensuring the Isle of Man is an attractive place to work and live, providing financial assistance to them is less likely to grow the economy and may also create issues of Government aiding one local business at the expense of another.

As a result, it is the Department's policy that secondary sectors are not usually eligible to receive assistance under the Scheme. However, the Government do provide other forms of assistance, for example, vocational training (the construction sector is one of the largest recipients of the training support budget).

### **5.2. Manufacturing**

Manufacturing is an important sector which helps to diversify the economy. The sector is almost 100% export-earning, with very little competition between local businesses (and

thus reduced risk of an adverse local economic impact if a business is supported by the Department).

The Department supports not just the manufacturing process but other activities such as distribution, sales and support activities. For example, a manufacturer wishing to establish a distribution centre on the Island delivering products to international customers would be eligible. Similarly, a manufacturer wishing to create an international sales office or regional headquarters would also be eligible to apply for financial assistance.

The principal test is whether the proposed operation would generate new and sustainable economic activity (particularly jobs) on the Island.

A reduced percentage of assistance is typically given to businesses:

- with a small number of additional employees in relation to the level of assistance requested; or
- where there is an element of local competition.

The printing industry is a good example. Some printing businesses have operations based in the Island and have been supported. However, care has to be taken to ensure that investment by the Department in one business does not have an adverse effect on others. It is therefore expected that the applicant funds at least 80% of the machinery themselves, so that the maximum financial assistance the Department offers is 20%. Present policy is now to only provide financial assistance to this sector where at least 90% of turnover is derived from printing that is printed locally and an effort is being made to export printing services. Businesses which only carry out basic printing on the Island and send the rest of the work off-Island will not receive assistance from the Department.

### **5.3. E-Business**

E-Business is considered to be a key sector which offers excellent potential for growth. Provision of financial assistance by the Department is playing a key role in stimulating that growth.

The Department's policy is to only provide financial assistance to export-earning e-businesses.

A key part of the e-business sector is the Island data centre sub-sector, which provides valuable data hosting services to both local and off-Island businesses. Data centres are a vital part of the Island's e-business infrastructure needed to attract other e-businesses but substantial capital investment is required. Therefore, the policy of the Department is to provide financial assistance for the construction and expansion of export-focused data centres. However, on-Island data centres do compete with each other and also serve the domestic market. In view of this, the Department's policy is to typically provide financial assistance for eligible projects at a maximum rate of 10% of the cost.

However, the Department has received and approved a wide range of applications from other kinds of e-businesses. Given their diversity it is not possible to be prescriptive as to the likely level of financial assistance. Export-earning e-businesses seeking financial assistance are encouraged to contact the Department to discuss their specific plans.

#### 5.4. E-Gaming & Supporting Industries

E-Gaming has matured into an established and important part of the Isle of Man's economy, being a major contributor in terms of GDP, and generating substantial employment on-Island in an exporting business area. Associated service providers such as datacentres, banks, CSPs and advocates also benefit from E-Gaming businesses being located on-Island.

The Department seeks to assist both 'business to business', and 'business to consumer' E-Gaming businesses to establish a presence on-Island, and to then grow. The primary aim of the Department is employment growth in the sector, and so existing businesses based on-Island looking to expand are welcome to apply, as are businesses established elsewhere looking to relocate, or open a new office/company to incorporate into their existing structure. Start-ups seeking a jurisdiction to establish their business are also supported. Please note see separate section in guidelines for support for Head Office relocations.

As well as businesses directly offering gaming services to consumers, the E-Gaming sector is also made up of various supporting industries including the development of E-Gaming software, and affiliate businesses. For the purposes of the Financial Assistance Scheme, any business which sells E-Gaming products, whether they are directly to the consumer or to another E-Gaming business, are classified as an E-Gaming business and eligible for support under the scheme. Some business models will require an E-Gaming licence; some may elect to take a licence if they choose, while others are deemed un-licensable.

The Isle of Man Gambling Supervision Commission will determine whether a particular business model requires a licence before it is able to operate. Although licences are issued and regulated by the Gambling Supervision Commission, advice can be sought from the Department's E-Gaming team as to whether a business would require a licence, and if so, which licence types would be of most benefit. Financial assistance is not available towards E-Gaming licence fees or gaming duty arising from operations.

Due to reasons including the requirement to ring-fence player funds to protect gaming consumers, E-Gaming businesses may incorporate several companies within a single international structure. It is important to note that in order to comply with the exchequer benefit model set out in these guidelines on page 7, the company which directly employs staff on-Island must be the applicant business as well as being incorporated in the Isle of Man.

All E-Gaming product verticals can be targeted from the Island, with work to continually diversify our product offering resulting in eSports and Blockchain enabled platforms being licensable by the Gambling Supervision Commission. The Island considers itself an agile jurisdiction with regards to new and innovative E-Gaming products and businesses are encouraged to enquire to the Department in relation to any such products.

Financial assistance of up to 40% of the costs of relocation or expansion is available, with any assistance given balanced against the associated job growth expected from any support. Please note business to consumer marketing costs are not eligible for support.

Businesses looking to employ staff currently located off-Island are encouraged to refer to the Employee Relocation Incentive (see appendix 6) - any grants received through the Employee Relocation Incentive are not included in the 40% calculation.

### **5.5. Financial and professional services**

Except in the cases of requests for financial assistance under Appendix 2 or 6, where there is significant local competition for work within primary sectors, it is unlikely that the Department will provide financial assistance for existing financial and professional services sector businesses, examples of which include legal firms, accountancy firms and corporate service providers.

Consideration is, however, given to existing financial services businesses seeking to provide services which are not currently available in the Island to off-Island clients. This includes projects which enable an existing financial services business to provide its services off-Island or where a business can demonstrate that it is moving into a new market which has not previously been targeted by businesses on the Island. Where a business operates in more than one sector it is expected that any financial assistance would be proportionate to the eligible part of the business.

A new bank, insurance business, fund manager, corporate service provider, trust service provider or similar regulated entity is eligible for financial assistance under the Scheme with financial assistance being available at a maximum of 40% of the costs of setting up an office in the Island in the first two years. As above, the effect on existing businesses is taken into consideration; the Department does not support start-ups which are only taking clients away from existing service providers.

The Department may also consider applications from existing businesses in this sector which are seeking to expand by opening physical offices within the town boundaries of Ramsey, Castletown and Peel, in cases where there are currently no sector providers within those towns to serve the local community.

Grant assistance will only be made available to the 'first mover' in each of the towns Ramsey, Castletown and Peel and successful applicants will not be eligible for any further grant assistance under the Financial Assistance Scheme to expand their physical presence in these towns.

Where there is evidence that an existing business or businesses already exists in these towns that serves the local community, no grant will be made available.

Both new and existing financial businesses may be eligible for financial assistance of up to £20,000 per annum at a percentage of 40% of eligible expenditure if undertaking marketing abroad (except where it may not be public policy to support work in a particular country).

Advocates and accountants may be eligible for such financial assistance.

The Department is always willing to discuss the availability or otherwise of assistance to a particular sector with relevant businesses or representatives from that sector.

## 5.6. Media

The Scheme can support media businesses to set-up or establish on the Island with capital investment and start-up requirements but excludes programme making costs. Media businesses that would attract assistance would be projects where the business requires capital investment and permanent premises. These projects might be for television, video, games and animation as well as new media genres with a potential for future expansion such as virtual reality.

An example of a type of business referred to above that could be supported is an animation project where the business requires capital investment and permanent premises. Support could typically be up to the 40% level and towards (not exclusively):

- plant & equipment (for example computers);
- IT infrastructure (cabling etc.);
- IT software purchasers;
- rent costs (for up to the first 12 months);
- office refurbishment;
- 1<sup>st</sup> year non-recurring set-up costs.

The level of support would be dependent on the normal FAS application procedures, due diligence, evaluation and assessment of the jobs created by the project.

Any potential applicants are encouraged to contact the Enterprise Support Team before any formal application is submitted.

## 5.7. The visitor economy and leisure sectors

A fundamental aim of the Scheme is the creation of jobs and the accrual of other benefits to the Island's economy but consideration is also given to smaller, viable businesses which offer a unique experience to visitors and expand the Island's tourism offering. The level of financial assistance available for the visitor economy and leisure sectors is dependent on the particular activity.

The Scheme does not provide any financial assistance in respect of moveable fixtures or fittings for tourism premises (e.g. beds and furniture), redecoration of premises or replacement of existing equipment.

Financial assistance is not available towards developing or building traditional self-catering accommodation or bed and breakfast accommodation (the latter term is defined as being within the owner's own residence, and comprising accommodation for up to 6 people) as this sector is well served locally. However, the development of serviced accommodation and quality alternative accommodation e.g. "glamping" facilities (which promote year-round tourism) is encouraged by the Department and may be eligible for assistance.

Financial assistance may be available towards developing hostel designated accommodation where it is also supported by associated activity (based on Visit England Standards) as the Island has limited provision currently in terms of group and youth accommodation. Priorities in relation to eligibility are that the hostel accommodation

offers additional leisure facilities that are supervised and offered as part of the product offering. Therefore, due to the nature of the product, hostels in the countryside that provide geographical diversification - spreading tourism away from the Eastern sector would be preferred.

The Island has an acute shortage of accommodation which is accessible for people with disabilities and the Department supports and encourages its development in order to meet consumer demand. Accommodation which would be accredited under the National Accessible Scheme 7 (managed by Visit England) will increase the probability of the maximum level of financial assistance being offered.

Financial assistance is considered for quality visitor attractions which make a positive impression on both visitors arriving on the Island and residents, and add to the Island's offering as a tourist destination. Businesses operating in the visitor economy may apply for off-Island marketing financial assistance of up to 40% of eligible expenditure up to a maximum grant of £30,000 per annum. Further details can be found at **Appendix 4**.

Businesses which operate in the leisure sector may be eligible for assistance where the activity to be offered is not currently available. If the activity is already offered elsewhere on the Island the decision to consider the application depends upon an assessment of whether the market can support more than one such project. Assistance is not available for bars, restaurants, night clubs, casinos or similar venues.

Applications from the leisure sector are considered and evaluated according to the following criteria:

- job creation;
- value to the visitor economy;
- overall contribution to the community; and
- local spend.

#### **5.8. Relocation of head office or key functions etc.**

The Department may provide financial assistance where an international, export-focused business seeks assistance to establish its headquarters or related key function (such as a research facility or call centre) on the Island. Such projects can provide diverse and good quality employment.

A relocation of a head office will be eligible for financial assistance at a typical rate of 10% to 25% to cover office rental for up to the first two years, initial set-up costs of the business such as professional fees and relocation costs, office fit out and furnishings.

#### **5.9. Ship and aircraft management and related activities**

Assistance is available to both new and existing Isle of Man registered companies as well as businesses relocating to the Isle of Man. The levels of assistance as outlined in Section 6 -

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<sup>7</sup> See <https://www.visitbritain.org/national-accessible-scheme>

'Types of financial assistance available' on pages 18 - 22 across the categories of Building, Plant and Machinery, First Year Expenses, Marketing, Training and Rent Reduction are dependent on the number of jobs and the value generated for the local economy. In relation to Plant and Machinery, grant assistance is not available towards the purchase or leasing of aircraft or sailing vessels (including ships, super yachts, yachts etc.).

#### **5.10. Non-regulated business services**

There are numerous service related businesses targeted at off Island customers. Examples include businesses undertaking design services, software development or the provision of call centre services.

The Department may consider applications from service businesses targeting the local market where the service is not available locally or has to be brought in from off-Island.

Applications in this area can be more difficult to determine and potential applicants should seek advice as to eligibility from the Department. In the majority of cases the Department would only consider a single application from a business starting up or relocating to the Island.

#### **5.11. On Island conferences held by local businesses**

The Department is seeking to increase the number of conferences which take place in the Island, especially in the low season. Many local businesses hold conferences for customers or suppliers or else hold an annual conference for other companies which are in the same group. Financial assistance of up to 40% for a conference arranged by a local business may be available where it is held between 1 October and 28 February with one application being permissible from the same applicant in any three year period. To be eligible, the event must comply with the following:

- there must be fifteen or more delegates;
- 50% of delegates must come from off-Island;
- Off-Island delegates must have a minimum of one overnight stay in commercial accommodation;
- the Department must be given the opportunity to make a presentation (though this right may not be exercised).

#### **5.12. Business park / industrial estate owners**

In order to encourage improvements to the Island's industrial estates and business parks, financial assistance of up to 40% of eligible expenditure capped at £50,000 per annum is available to landowners in respect of the following:



- improvements to estate infrastructure;
- landscaping appropriate areas;
- employment of one or more approved contractors (see below) to tidy the estate;
- ‘vision’ documentation of estate extensions showing an artist’s impression of how an estate might be developed, marketing information etc.

The Department seeks to ensure that the whole Island is open for business; this requires the Island’s industrial areas and business parks to look inviting to inward investors. Improvements are encouraged as is the preparation of artist impressions of new developments etc.

The conditions to which any offer of financial assistance will be made are as follows:

- the work has to be agreed in advance with Department;
- the work must not consist of routine maintenance but has to be a genuine improvement;
- contractors used have to be accredited under the Manx Accredited Construction Contractors’ Scheme (MACCS)<sup>8</sup>;
- professional service businesses have to be based in the Isle of Man;
- any printing or creative work has to be carried out by local businesses.

Assistance will only be given to businesses which employ at least one employee who is resident for Isle of Man income tax purposes.

### **5.13. Food and drink manufacturing / processing**

The Department is working closely with the Department of Environment, Food and Agriculture to support adding value to local produce through manufacturing and processing. The benefits of this sector are:

- import substitution;
- food security;
- export opportunities; and
- enhanced visitor experience.

The Department provides assistance towards the plant and equipment used for processing, gaining appropriate quality standards, undertaking off-Island marketing and building improvement work to convert a building to a suitable production or processing facility.

### **5.14. Training businesses**

The Department has previously assisted training businesses. However, this market is growing and a number of businesses now offer a much wider range of training than was previously available. Current policy is to offer financial assistance only where the type of

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<sup>8</sup> See <https://www.iomcf.im/maccs/what-is-maccs/>

training being offered is (at the time of the application) only available off-Island and where its local provision will materially aid economic growth.

The above list of sectoral support is not exhaustive and, as stated earlier, the Department is willing to accept an approach from sector representative bodies where there may be a strong economic argument to support a particular sector and the making available of such financial assistance is in accordance with the Department's current economic strategy and priorities.

For further more detailed information as to financial assistance available to specific sectors or in relation to specific activities see **Appendix 1: Summary table of specific sectoral financial assistance.**

### **5.15. Critical Services**

The Department may consider from time to time to allow applications from service providers that are critical to the wellbeing of Island residents and create substantial economic benefit. This includes but is not limited to community pharmacies, allied health professionals, child care providers (see specifically **Appendix 8**), veterinary services and other critical services. Where services are linked to a particular Government Department, the Department will be asked to provide comment and support, to ensure that market disruption is not caused and any support is aligned to an agreed strategic approach. Assistance will be aligned with the categories outlined in this Scheme, however in exceptional cases, the Department can provide other forms of assistance, such as guarantees, loans and other forms of grants.

## **6. Types of financial assistance available**

The Department can provide assistance with a range of expenditure, namely:

### **6.1. Capital grants**

Up to 40% of the costs of new purpose built buildings, building improvements and new plant and machinery. Repairs and renewals are not eligible for financial assistance. Consumables such as furniture, linen, crockery for hotel developments are not eligible; these are considered as operational costs.

The Department does not provide financial assistance towards the purchase of land or property.

Financial assistance is available for the purchase or construction of a brand new building where such a building has not previously been occupied and is to be purchased within 18 months of its completion. A valuation will be required by the Government Valuer and the cost of land must be excluded from the application.

The purpose of capital grants is to generate new economic activity. As a result, the level of financial assistance offered will be lower where machinery or equipment is simply replaced without creating new economic value. A new machine or equipment that will generate new revenues and jobs may attract a grant of 40% while a machine that is simply replacing a worn out one will not qualify for a grant; where there is a mix of replacement equipment and equipment which is to be used for a new purpose this will be likely to

attract a grant of less than 40%, the exact percentage being based on the business case provided.

## 6.2. Operating grants

- (a) **Special First Year Expenses** - up to 40% of non-recurring costs associated with the establishment of a project (excluding statutory charges). These should be discussed with the Department before submitting any application.

It is unlikely that the Department will provide financial assistance towards intellectual property being transferred to the Island.

- (b) **Training Costs** - up to 40% of special training costs directly associated with purchased plant and equipment.
- (c) **Marketing Costs** - up to 40% of the costs of specific new marketing ventures (see further at 6.3. below).
- (d) **Efficiency Measures** - up to 40% of the costs of implementing quality standards, energy conservation etc.
- (e) **Rent Reduction** - up to 100% of the costs of renting commercial properties from a private developer or landlord for the initial period of a new project where at least 80% of a businesses' turnover is generated off-Island or in cases where the business provides import substitution or a unique service. Financial assistance is available for a period of 12 months and is capped at £50,000 per annum. It should be noted eligibility can vary depending on whether the business is deemed a provider of an incubator space and on the area of the Island the business is based in, details below:
- up to 40% of the cost of renting commercial premises for the initial twelve month period of a new project for providers of incubator space/managed work space. Assistance would only be offered if there is demonstrated demand for the space or if expanding, extra space. Tenants of an incubator/managed work space or a provider of an incubator/work space in a town boundary where none are available may apply for 100% but will be subject to the criteria depending where the premises is based.
  - up to 100% of the cost of renting commercial premises outside Douglas from a private developer or landlord for the initial twelve month period of a new project where the accommodation is situated in town boundaries (plus the extension in Ramsey, Jurby and the Airport Technology Gateway). Details of these areas can be obtained from the Department.
  - Up to 100% of the cost of renting commercial premises inside the town of Douglas from a private developer or landlord for the initial twelve month period of a new project. Any premises that the applicant wishes to rent must have undergone a comprehensive renovation since 2014 and has received the appropriate planning and building regulations approvals<sup>9</sup>. In addition the premises must have modern IT, telephone and broadband infrastructure. The Department may consider

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<sup>9</sup> <https://www.gov.im/media/1345662/building-regulations-2014.pdf>

applications from businesses that wish to undertake building renovation works, however applicants should ensure that evidence is provided regarding that the work meets the requirements of the Building (Amendment) Regulations 2019<sup>10</sup>.

All applicants must keep in mind that the properties must comply with the Isle of Man planning and building byelaw legislation, equality legislation, health and safety, fire regulations and any other regulations the Department deem necessary.

Financial assistance will only be offered where the Department can be satisfied that the landlord is an independent third party.

The evaluation against the above criteria would be entirely at the discretion of the Department and the decision of the Department regarding the eligibility or otherwise of any building is final.

Financial assistance is paid quarterly in arrears; evidence of the payment of the rent will need to be submitted to the Department.

Please note that any offer of assistance is linked to the exchequer benefit created by the application, therefore the business may not attract the highest rates of assistance offered.

The Department may also on a case by case exceptional basis exceed the 40% maximum level of support across the categories of assistance, provided that the forecast exchequer benefit from the proposed project demonstrates a projected return on the investment within a period of 5 years. To be clear, a project able to trigger this approach would need to comply with one of the following:

- 25 FTE posts forecast in the first 12 months; or
- Forecast exchequer benefit from 1<sup>st</sup> year employment of more than £125,000 (£500,000 over a 5 year period); or
- Forecast exchequer benefit from construction spend of more than £1,000,000; or
- Determined as strategically important by the relevant Department Agency or Division.

In such circumstances the Department may link the payment of the assistance to the forecast employment being in place. Tax codes to be provided as evidence.

### **6.3. Marketing grants**

It is the Department's policy to support new marketing activity that will generate new revenues and economic benefits. Activity that is simply intended to protect existing customers and sales will not attract financial assistance.

Where there is an exhibition attended by numerous competing Island businesses (e.g. the International Casino Expo (ICE) in gaming and the Monaco Yacht Show for shipping) no

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<sup>10</sup> <https://www.gov.im/media/1366894/building-amendment-regulations-2019.pdf>

financial assistance will be available to any business, as it would not be equitable to support some businesses and not others.

The Department is supportive of local businesses entering new markets and thus expanding their customer bases and geographical spread as this reduces their risks. An application for this type of support will receive financial assistance at a higher level than marketing used for other purposes.

Day to day marketing and promotional efforts to maintain customer relations, sales and awareness is viewed by the Department as an ongoing business cost and for this reason such activities do not typically attract financial assistance. Many businesses attend the same exhibitions every year both to protect existing customers and to gain new customers. The Department recognises that these types of event can help to grow businesses and for this reason encourage businesses to attend; at the same time the Department is mindful that businesses should be responsible for funding their own regular marketing activities. Hence financial assistance will be given on the following basis: a maximum of 40% financial assistance in year one; 25% in year two; 15% in year three, and 10% thereafter.

The Department does not support any on-Island marketing other than in respect of on-Island conferences (see 5.11. ).

#### **6.4. Employment grants**

Financial assistance is available in certain circumstances where:

- a new or existing business creates jobs on the Island or relocates jobs to the Island from elsewhere; and
- the jobs are taken by off Island workers.

Note that, subject to conditions, employment grants are available to all businesses in the e-business sector (which includes the ICT sector) even if businesses are not principally engaged in export-related activity (see further at **Appendix 6**).

#### **6.5. Research & development**

Financial assistance may be available to businesses that are undertaking a new research and development project (see further at **Appendix 7**).

#### **6.6. Other forms of financial assistance**

Some other less common forms of financial assistance may be available. These are set out at **Appendix 3** and **Appendix 8**.

#### **6.7. Financial assistance for businesses in difficulty**

Information as to financial assistance for businesses in difficulty is set out at **Appendix 5**.

### **7. How often can businesses apply to the Scheme?**

Many businesses submit regular applications for assistance. The Department's policy is to only accept one application from a business in any year, except in exceptional circumstances (for example where a business is contemplating expanding into a new business area which has the potential to create new employment.) However, this general

policy does not preclude businesses from having an ongoing dialogue with the Department about any ongoing issues.

The Department assesses the level of financial assistance to be offered in relation to the potential economic benefit. Where an applicant seeks financial assistance each year, then this is likely to reduce the economic return compared to, for example, where a single application for assistance over a 10 year period is received.

Applicants need to advise the Department as to the likely frequency and nature of potential future applications to assist officers to assess the appropriate level of financial assistance.

## **8. Criteria used to assess economic value**

The Department assesses applications for financial assistance on a case by case basis. The following are the key criteria which the Department takes into consideration when determining what percentage of financial assistance to grant in applications to the Scheme. Other than where a lower percentage is set for a particular incentive (see Appendix 1) the maximum level of financial assistance is 40%.

- Contribution to the Island's economy (exchequer benefit created from new jobs new construction work etc.);
- any local competition considerations;
- the number and quality of jobs that a project will create or protect;
- whether the machinery or equipment is to replace existing machinery or equipment, (see further at 4.4. );
- whether the business is an exporter;
- any import substitution;
- the level of expenditure, excluding wages and salaries, to be undertaken on the Island;
- where the directors and shareholders of the business are resident;
- where appropriate, the number of visitors a project may bring to the Island;
- in respect of marketing applications, whether the purpose of the marketing is to support new markets (see further at 6.3. above).

## **9. Terms and conditions**

Standard terms and conditions apply to all offers of financial assistance usually for a 3, 5, 10 or 15 year period.<sup>11</sup> They are intended to protect the Department's investment so that if, for example, a business ceases to trade within the period of the conditions or stops using the supported assets for the purpose intended, then all or part of the financial assistance received may be repayable. There are a number of scenarios that would trigger a default under the standard terms and conditions so it is very important that applicants read and understand the terms and conditions before accepting an offer of financial

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<sup>11</sup> Sample terms and conditions are available at [https://www.gov.im/media/150878/ded\\_financial\\_assistance\\_scheme\\_sample\\_termsandconditions.pdf](https://www.gov.im/media/150878/ded_financial_assistance_scheme_sample_termsandconditions.pdf)

assistance. The Department may also impose further more specific conditions depending on the particular applicant's circumstances. In the case of a new business start-up, financial assistance may be linked to the performance of the business against the business plan as submitted as part of the application.

The Department may wish to take security on the assets of the business to protect any financial assistance provided. This would be by way of a debenture providing a first fixed and floating charge on assets that exceed the value of the assistance provided. Where security is required the applicant will be required to enter into a legally binding charge in respect of which independent legal advice should be sought.

## **10. Public disclosure of financial assistance paid**

It is a statutory requirement that the names of businesses which received support under the Scheme be published in an annual report prepared by the Department which is laid before Tynwald (the Isle of Man's Parliament). Details of financial assistance cannot therefore, be confidential to the business concerned.

Applicants should also be aware that parliamentary questions may be asked about particular applications or applicants.

## **11. The application process**

Potential applicants who would like to discuss financial assistance which may be available from the Department and how the Scheme could help their business are encouraged to contact the Department before submitting an application. It will be necessary to submit a completed application form signed by a director or principal on behalf of the business.

### **Please note:**

- financial assistance cannot be considered retrospectively for items of expenditure which have already been purchased;
- neither a preliminary discussion nor presentation should be considered a substitute for a properly supported application;
- the applicant is responsible for all costs involved in preparing and submitting an application.

### **11.1. Information to be provided**

The Department usually requires the following information in order to process an application. The information requested and deemed required for each application is at the discretion of the Department and can be considered on a case by case basis.

For applications where expenditure is £50,000 gross cost (FASt-Track) and below, the Department will only require the following:

- expenditure in respect of which financial assistance is sought;
- a summary of the business and its customers;

- details of the business: date of registration, shareholders (to include percentages of shares owned), directors, beneficial owners etc. and links to other businesses, if any;
- job titles and salaries of current and proposed staff;
- monthly income and expenditure sheet including local spend;
- information as to premises - whether owned or rented and the location;
- summary of any marketing initiatives, current or proposed;
- financial information including:
  - copies of accounts for up to the previous 3 years;
  - projected profit and loss for 1 year.

For all other applications, the following information should be provided; a business plan with a project summary must be submitted with the FAS application form<sup>12</sup>. The plan should include:

- expenditure in respect of which financial assistance is sought;
- background and current or proposed location of the business;
- CVs and relevant experience of the management team;
- details of the business: (date of registration, shareholders (to include percentages of shares owned), directors, beneficial owners etc. and links to other businesses, if any);
- business model, together with short and long term objectives, key customers, confirmed orders etc.;
- employment structure including numbers of employees, types of jobs, wage rates etc.;
- information as to premises - whether owned or rented and the location. Where premises are rented or leased, details of owners and annual costs (including rent and any service charge contributions and/or other regular outgoings);
- marketing plan including whether customers are off-Island or on-Island;
- financial information including:
  - copies of audited accounts for the previous 3 years (if applicable);
  - projected profit and loss forecasts for the next 3 years together with an explanatory narrative;
- a list of all items in respect of which assistance is being requested together with the cost of each (net of VAT) and an explanatory narrative;
- a summary that links the business plan, financial statements, marketing plan and the application together to show clearly 'at a glance' how the potential assistance would benefit the business and the Island;
- any other relevant information, particularly as to any potential risks to the business.

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<sup>12</sup> The Application Form is available <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/financial-assistance-scheme/>. Hard copies of the form may be obtained from the Department's Enterprise Support Team.



Where financial assistance requested is £100,000 or above cash flow forecasts for three years must be supplied together with an explanation of the assumptions used. In such circumstances, Treasury approval of the application will also be required.

Applicants should read the Terms and Conditions thoroughly before submitting an application (see paragraph 9. above). The completed application form and supporting documentation should be sent to:

Enterprise Support  
Department for Enterprise,  
1st Floor,  
St George's Court,  
Upper Church Street, Douglas,  
Isle of Man, IM1 1EX  
Tel. +44 1624 687333 / email [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im)

The Department would recommend that postal applications be sent by recorded mail. By exception and by officer's discretion, it may still be necessary to request additional information required in higher value applications.

## **12. Evaluation of the application**

Following receipt of the application and supporting documentation the application will be formally evaluated. At this stage the Department may request additional information or seek clarification of certain points. The Department will arrange a meeting at the applicant's place of business (or proposed place of business) to discuss the application in further detail.

The Department will also contact the Treasury with regard to National Insurance, ITIP, Income Tax, VAT Payments to ensure there are no outstanding Government debts. Further checks may also be made subsequently before grants are paid (see 12.4. below).

The Department aims to deal with the majority of applications within 8 weeks of receipt or, where additional information is sought, the date such information is provided (whichever is the later).

### **12.1. Departmental report**

Once the Department has all the information that is required to evaluate the application, a report is prepared for formal consideration by the Department.

### **12.2. The decision**

Where the application is successful the applicant will be notified of the offer in writing and the terms and conditions which would apply upon acceptance. As discussed at 9. above, standard terms and conditions are applied to each offer of financial assistance. These cover the implications of acceptance of assistance and set out the process for reporting information on the business that the Department will require as a condition of providing assistance.

The Department reserves the right to withdraw an offer of assistance at its discretion. Although unusual this circumstance could arise if an applicant fails to comply with terms

and conditions or if the Department believes that any information submitted as part of the application is incorrect or untrue.

Where the application is refused, the applicant will be advised of the decision and the reasons for it.

An applicant who is refused financial assistance can ask the Department to reconsider its decision if he or she has additional information, or is of the view that a relevant factor has not been taken into account. Similarly where the Department decides to offer financial assistance but on terms which the applicant considers to be unacceptable the applicant may request the Department to reconsider the terms and conditions.

**The Scheme is discretionary. The offer of any financial assistance is entirely at the Department's discretion. The Department is under an obligation to process and consider all applications reasonably, but is not under an obligation to make any payment.**

**Any offer of financial assistance is also subject to availability of Department funds.**

### **12.3. Accepting the offer**

Where the offer of financial assistance is accepted the terms and conditions should be signed and returned to the Department. This is necessary before any application for payment can be considered.

The offer of financial assistance must be accepted by the applicant within six months of issue of the offer letter. The assistance may then be claimed over a period of two years from the date the offer of financial assistance is made. Upon application to the Department this period may be extended. If, for business reasons, an applicant is unable to take up an offer of assistance within the given timescale, submission of a new application may be necessary.

Applicants who are in receipt of an offer should read the terms and conditions carefully, as they may include significant obligations (see further at 9. ). As pointed out, the Department may impose conditions (including but not limited to the giving of security for the repayment of the financial assistance), which are additional to those included in the standard terms and conditions. Applicants are advised to seek independent legal advice as to the terms and conditions and any additional documentation which they are required to sign.

### **12.4. Claiming payments from the Department**

Once the applicant has signed and returned the terms and conditions to the Department the applicant may make claims for payment. As stated above the offer of assistance is valid for two years and claims must be submitted within that time.

In order to process a claim for payment the Department will contact the Treasury with regard to National Insurance, ITIP, Income Tax, VAT payments and other potential Government debts. In order to prevent any delay in processing claims, claimants should ensure that that they remain in compliance with all statutory obligations.

Financial assistance under the Scheme will be paid retrospectively, except in exceptional circumstances when the Department makes available working capital repayable grants.

This type of financial assistance is only available to existing businesses and is subject to agreement in advance based on demonstrable need.

In order to submit a claim for payment, applicants should complete the application for payment, form F103, and submit it to the Department together with the original invoices, and a summary sheet. Any queries regarding the claim procedures should be directed to the Department on (+44) 1624 682328 or by e-mailing: [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im).

## Appendix 1: Summary table of financial assistance per sector

Sector Sub-sector	Typical % financial assistance	Justification for the Department's financial assistance for eligible sectors
<b>Manufacturing</b>		
Aerospace	10 to 40%	<ul style="list-style-type: none"> <li>• Approximately 1,000 well paid jobs supported</li> <li>• High levels of contribution to GNP</li> <li>• Raises profile of the Island</li> <li>• Is the future of high value manufacturing</li> <li>• Significant growth potential</li> <li>• All output is exported</li> </ul>
Engineering	10 to 40%	<ul style="list-style-type: none"> <li>• Range of employment opportunities at various skill levels</li> <li>• Enables local production and reduces imports</li> <li>• Supports key aerospace sector</li> </ul>
General Manufacturing	10 to 40%	<ul style="list-style-type: none"> <li>• Wide range of employment opportunities</li> <li>• Development of new skills</li> <li>• Encouragement of entrepreneurial opportunities</li> <li>• Reduces imported goods</li> <li>• Stable sector</li> </ul>
Food and Drink	10 to 40%	<ul style="list-style-type: none"> <li>• Range of employment opportunities at all levels</li> <li>• Approximately 1,000 jobs</li> <li>• Reduces imported goods</li> <li>• Export of certain products increasing</li> <li>• Greatest scope for adding value as raw materials are home grown</li> <li>• Helps maintain local agriculture</li> </ul>
Printing Industry	10 to 20%	<ul style="list-style-type: none"> <li>• Prevents the need to import goods</li> </ul>
Recycling	5 to 10%	<ul style="list-style-type: none"> <li>• Range of employment opportunities</li> <li>• Reduces waste to landfill</li> <li>• Reduces imported goods</li> <li>• Export of some products</li> </ul>
<b>E-Business</b>		
Data centres	10%	<ul style="list-style-type: none"> <li>• Employment opportunities for highly skilled staff</li> <li>• Quality data centres attract other e-businesses</li> </ul>
E-Payment businesses	10 to 40%	<ul style="list-style-type: none"> <li>• Pool of skilled staff available from banking sector</li> </ul>

Sector Sub-sector	Typical % financial assistance	Justification for the Department's financial assistance for eligible sectors
		<ul style="list-style-type: none"> <li>• Money flowing through Island banks helps banking profits and thus corporate taxes</li> </ul>
Other exporting E-Businesses	10 to 40%	<ul style="list-style-type: none"> <li>• Employment opportunities for skilled staff carrying out a wide range of activities</li> <li>• A greater number of e businesses encourages development of the secondary sectors that serve such businesses</li> <li>• Money flowing through Island banks helps banking profits and thus corporate taxes</li> </ul>
<b>E-Gaming</b>		
Gaming Companies	10 to 40%	<ul style="list-style-type: none"> <li>• Employment opportunities for a wide range of staff</li> <li>• Helps to further develop cluster of gaming organisations based on Island</li> <li>• Money flowing through Island banks helps banking profits and thus corporate taxes</li> </ul>
Gaming Support Businesses	10 to 40%	<ul style="list-style-type: none"> <li>• Support for a key sector</li> <li>• Helps retain money on-Island</li> </ul>
<b>Financial &amp; Professional Services</b>		
New licensed export orientated business	10 to 40% (excluding marketing)	<ul style="list-style-type: none"> <li>• Money flowing through Island banks helps banking profits and thus corporate taxes</li> <li>• Key sector on the Island</li> </ul>
Existing licensed businesses setting up a new activity on the Island targeted off Island	10 to 40% (excluding marketing)	<ul style="list-style-type: none"> <li>• Key sector on the Island</li> <li>• Ensures the Island is considered as a potential location for business expansion</li> </ul>
New and existing business (marketing support)	Up to 40% to a maximum of £20,000 (See Appendix 2 for details)	<ul style="list-style-type: none"> <li>• Encourages development of new markets</li> </ul>
<b>Media</b>		
Television, video, games and animation projects etc.	Up to 40% (Capital expenditure, First Year Expenses and Rent costs only)	<ul style="list-style-type: none"> <li>• Encourages new media projects on the Island.</li> <li>• This support is not towards the costs of programme making.</li> </ul>

Sector Sub-sector	Typical % financial assistance	Justification for the Department's financial assistance for eligible sectors
<b>Hotel and Leisure Facilities</b>		
New hotel accommodation 3* and above (whole premises, sole business)	Up to 20%	<ul style="list-style-type: none"> <li>• There has been a loss of hotel accommodation over the last ten years</li> <li>• The Island needs quality hotel accommodation</li> <li>• Supports business sector as well as tourist visitor sector</li> </ul>
New serviced accommodation 4* and above	Up to 20%	<ul style="list-style-type: none"> <li>• There is a need for quality serviced guest accommodation on a smaller, less formal scale in addition to hotel accommodation</li> </ul>
Improvements to existing serviced visitor accommodation to 3* plus	Up to 20%	<ul style="list-style-type: none"> <li>• To protect existing visitor accommodation from decline</li> <li>• To increase visitor spend</li> <li>• To enhance perceptions of the Island as a visitor destination</li> <li>• To minimise negative perceptions of poor quality</li> </ul>
Creation of new, permanent campsites to 3* plus (operating a minimum 7 months per year)	25 to 40%	<ul style="list-style-type: none"> <li>• There is a requirement for good quality camping parks to meet new national standards</li> <li>• To provide required facilities for development of the camping, motorhome and caravan market</li> </ul>
Development of existing permanent campsites to meet new minimum standards (operating a minimum of 7 months a year)	25 to 40%	<ul style="list-style-type: none"> <li>• There is a need to introduce new minimum quality standards in order to compete with other visitor destinations</li> <li>• Existing campsite facilities are basic in comparison to UK and European standards</li> </ul>
New hostel accommodation with associated outdoor activities on offer. (operating a minimum 7 months a year)	25 to 40%	<ul style="list-style-type: none"> <li>• Island has limited provision in terms of group and youth accommodation</li> <li>• Increase value generated by new visitor markets</li> <li>• Provide geographical diversification e.g. away from towns</li> <li>• Provide a unique experience that expands the Island's product offer</li> </ul>

Sector Sub-sector	Typical % financial assistance	Justification for the Department's financial assistance for eligible sectors
Development of new and existing alternative accommodation sites including yurts, log cabins, pods, treehouses, safari tents etc.	25 to 40%	<ul style="list-style-type: none"> <li>• Research suggests this is a niche but growing market</li> <li>• Demonstrates a good fit with the Island's target markets</li> <li>• Low environmental impact of temporary structures</li> <li>• Offers further diversification of the Island's visitor economy</li> </ul>
Visitor and local leisure facilities	Up to 25%	<ul style="list-style-type: none"> <li>• Good leisure facilities can increase quality of life experience</li> <li>• Range of activities can help attract visitors and retain money on-Island</li> <li>• Requirement for diverse range of visitor experiences to compete as visitor destination</li> </ul>
<b>Visitor economy marketing</b>		
Off-Island promotion	Up to 40% capped at £30,000 per annum	<ul style="list-style-type: none"> <li>• To increase awareness of the Island as a visitor destination</li> <li>• Increase visitor numbers</li> <li>• Increase visitor spend</li> <li>• Increase number of contacts for marketing activity</li> </ul>
<b>Head Office</b>		
Head Office	10% to 25%	<ul style="list-style-type: none"> <li>• Possible transfer of skills from the finance sector</li> <li>• Wide range of employment opportunities, many in higher pay ranges</li> <li>• Likely to attract High Net Worth Individuals</li> </ul>
<b>Ship and Aircraft Management and related activities</b>		
Ship Crewing	Up to 25%	<ul style="list-style-type: none"> <li>• Fits with the Ship Registry</li> <li>• Skills readily available on the Island</li> </ul>
Ship and Aircraft Management	Up to 40%	<ul style="list-style-type: none"> <li>• Fits with Aircraft and Ship Registry</li> <li>• Skills readily available</li> <li>• Supports professional sectors on the Island</li> </ul>
<b>Services - Non Financial</b>		
Export Orientated Businesses	Up to 40%	<ul style="list-style-type: none"> <li>• Helps grow overall economy</li> <li>• Many service businesses are a good fit with existing workforce skills</li> </ul>
Local service provider	Up to 40%, maximum of £10,000 (where	<ul style="list-style-type: none"> <li>• Import substitution</li> <li>• Adds to overall economy</li> <li>• Extends range of skills available locally</li> </ul>

Sector Sub-sector	Typical % financial assistance	Justification for the Department's financial assistance for eligible sectors
	no local provider)	
<b>Business Park / Industrial Estates</b>		
Estate owners	Up to 40%	<ul style="list-style-type: none"> <li>Encourages improvements to estate infrastructure</li> </ul>
<b>Nurseries and Child Care</b>		
Start-up/Expanding Nursery Businesses	Up to 40% (specified categories in Appendix 8)	<ul style="list-style-type: none"> <li>See Appendix 8</li> </ul>



## Appendix 2: Financial assistance for marketing for financial services businesses

### Basic eligibility criteria

It should be noted that businesses need to be sole traders, partnerships established on the Island or Isle of Man incorporated entities to be eligible; branches of companies registered in other jurisdictions are not eligible.

### Activities which are eligible for financial assistance

- Travel and accommodation where an Island representative is speaking at a conference/event;
- visits to gain new clients and businesses. Trips to retain contact with existing clients are not eligible. Where a trip comprises both, a reduced level of financial assistance will be given. Items supported will be travel and accommodation;
- eligible countries and regions are China, India, the Middle East, Sweden, Singapore and United Kingdom, though trips to other areas may be supported where there is a strong business case;
- arrangement of bespoke events such as presentations for potential clients and customers, assistance with room hire, event organisation, travel and accommodation.

Attendance at conferences and exhibitions will only be eligible for financial assistance where a representative of the applicant is to make a presentation at the event.

Where the Department is already providing financial assistance in respect of the event / conference through another mechanism then no additional financial assistance will be available.

Application forms must be received before any travel is undertaken. An applicant who undertakes travel before a decision has been made in respect of such an application must accept the risk that he or she may not receive any reimbursement of those costs if financial assistance towards the travel costs is not approved.

### Assistance available

Assistance available is up to 40% of eligible expenditure, up to a maximum of £20,000. (No further application from the same business is permitted within a year of submission of an application).

Total financial assistance to a group which comprises a number of companies will be limited to £20,000 per year except in exceptional circumstances.

The actual percentage offered will be affected by:

- whether the service to be marketed is unique or whether it is offered by other businesses;
- employment levels and employment growth prospects; and
- the potential effect of the marketing on the profile of the Island as a whole.

## **Application process**

Applicants should:

- complete the application form (see 11. );
- submit details of the proposed marketing activity to the Department together with details of costs and intended outcomes;
- submit statutory financial statements for the previous three years;
- submit information as to staff levels, average salaries and employment prospects for the next three years.

## **Payment process**

Claimants should:

- complete form F103 (see 12.4. );
- submit paid invoices to the Department together with an invoice summary sheet;
- submit a report on the trip and its outcome with the claim for payment.

## **Additional notes**

- Subsistence claims will be paid in accordance with the daily rates detailed in the application form.
- No financial assistance will be provided in respect of alcoholic beverages.

### **Appendix 3: Alternative types of financial assistance**

There are many potential different types of financial assistance. The Department may, in conjunction with the Treasury, consider the following types of financial assistance. The general principles relating to the types of businesses and sectors as described elsewhere in these Guidelines will normally apply.

Of these alternative types of assistance the use of loans is the most regularly used.

#### **Loans**

There may be occasions where assistance with actual expenditure, the Department's most common type of assistance, is not relevant. A business may not have a significant amount of items within the eligible categories and working capital may more relevant. It may also be that a combination of grants and loans would be a more effective form of support for the business. Loans may also be available in the circumstance set out in **Appendix 5** below.

Such applications are dealt with on a case by case basis, with the main consideration being the economic benefits that will be generated by the particular business. The application process is the same as for other applications under the Scheme.

#### **Sale and leaseback**

This option is only expected to be used in exceptional circumstances where no other source of finance is available to a business wishing to expand and the business is export orientated. Individual cases are determined on their merits and potential applicants are advised to discuss their proposals with the Department before submitting an application. This will help establish eligibility and the information that will be required as part of the application.

## Appendix 4: Financial assistance for visitor economy marketing activity

### Basic eligibility criteria

Businesses need to be sole traders, partnerships established on the Island or Isle of Man incorporated entities to be eligible.

Applicants must demonstrate that financial assistance is required for initiatives which target new markets and does not comprise day to day marketing expenditure.

Applicants must demonstrate how the proposed activity will benefit the broader visitor economy and support the Department's objectives which are to:

- increase awareness of the Island as a visitor destination in key markets;
- increase bookings / visitor numbers;
- increase valid leads for the Department's database of contacts;
- increase visitor spending;
- attract additional out of season visitors (October to February). (Note that 25% of the budget must be spent to this end).

Funding is only to be provided for off-Island marketing activity.

Financial assistance of up to 40% of the cost of marketing activity will be considered, with a maximum of £30,000 per business within a twelve month period. Payment is made retrospectively following completion of relevant documentation and submission of receipts.

If applications are submitted for repeat activity the amount of funding available may be reduced in subsequent years.

Non-financial support in the form of marketing advice and training may also be available during the year. The Department's Business Improvement Scheme<sup>13</sup> may also be available to help businesses trade online e.g. for development of a web site. Where appropriate, websites should link to the Department's websites.

### Assessment criteria

The following criteria are considered when applications are assessed:

- 1) The extent to which the project will increase visitor numbers over and above those that are coming already:
  - whether it will help extend the length of the season;
  - whether it will enhance visitors' experience and encourage them to return to the Island or recommend the Island to others;
- 2) The extent to which the project is in keeping with the visitor economy strategy;

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<sup>13</sup> See <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/business-improvement-scheme/>

- whether it will help develop the Island into a year round destination;
  - whether it will increase the value generated by visitors;
  - whether it will attract new visitors;
  - whether it creates opportunities to gather contact data to share with the Department.
- 3) What would happen if funding under the Scheme was not available;
- whether the project would still go ahead and, if so, whether it would be likely to be less successful in attracting visitors.
- 4) The project leverage in respect of other sources of funding;
- whether the grant would be supplemented by additional funds from Government or other grant awarding bodies which would increase the overall level of investment.

**Application requirements:**

Applicants should submit:

- application form (see paragraph 11. );
- a detailed marketing strategy; and
- financial forecasts indicating the level of new business which it is expected to generate as a result of the grant which is being sought.

**Specific conditions**

Applicants for financial assistance must agree to:

- provide customer volumes, profiles, sales channels, expected outcomes and results achieved;
- provide occupancy data, enquiries, booking figures, (as applicable);
- provide details of contacts that have opted in to receive information from the Department;
- use the Visit Isle of Man logo, provide hyperlinks to the [visitisleofman.com](http://visitisleofman.com) web site where applicable (in accordance with guidelines which will be provided by the Department);
- take part in relevant Department surveys;
- act as an ambassador for the Island if so requested by the Department;
- assist the Department's marketing activity and Visitor Economy strategy.

## Appendix 5: Financial assistance for businesses in difficulty

The Department will consider supporting eligible businesses that are experiencing financial difficulties. The criteria and the process are outlined below.

It is recognised that each case is different and that prompt resolution is often required in such cases; therefore it is recommended that any business which may be seeking such financial assistance speaks to the Department before making an application.

### Criteria

To be eligible for financial assistance, a business must satisfy the following conditions:

#### 1. Type of business

The business must meet all of the eligibility criteria set out in the Regulations.

#### 2. Sustainability of the business

There must be credible evidence that the business will be able to trade on a profitable and sustainable basis if financial assistance is given. It would not be an appropriate use of taxpayers' money to provide financial assistance to a business which is not viable.

If a business meets the above conditions, then the following criteria will also be assessed:

#### 1. Impact on the economy if the business were to cease trading

There can be significant adverse consequences if a business ceases to trade, for its employees, customers, creditors, the taxpayer and the wider economy. The applicant should provide relevant information to help to assess the possible impact.

#### 2. Growth prospects

The Scheme is principally intended to aid the growth of the Island's economy. The applicant should provide evidence of the prospects for future growth of the business and the potential to generate additional revenue, spending in the local economy, the effect on Government income, and job creation.

#### 3. Sources of capital

A business experiencing financial difficulties typically requires additional capital to enable it to survive and thrive. In such a situation the Department would not expect to be the sole provider of finance and would anticipate shareholders and /or third parties also providing finance to the business.

### Application requirements

Applicants should submit:

- full disclosure setting out the background to the current situation;
- accounts for the previous three years;
- management accounts from the previous financial year end to the date of application;
- the business plan detailing the future plans for the business and the sources of the capital required;
- full disclosure of all creditors;

- letters of authority to enable debts to be checked if appropriate.

### **Application process**

The steps are as follows:

- the applicant approaches the Department to establish whether an application can be made;
- the applicant submits all relevant information;
- a meeting is held between officers of the Department and the applicant to discuss the information. It may be helpful for other parties to be involved, notably the bank(s) involved and any parties which may be providing significant additional capital;
- a report is prepared for the Department;
- where the Department is in favour of providing significant financial assistance the approval of the Treasury is also required. If this is the case, additional time will be required.
- the applicant is informed of the decision.

The Department will treat applications from businesses experiencing financial difficulties as a priority. Applicants should, however, still expect to wait a minimum of three weeks for a decision.

## Appendix 6: Employee Relocation Incentive

### Background

The Department is seeking to encourage an expansion of the Island's workforce. This is in the Island's national interest as it helps both to grow the economy and to balance the Government's budget by generating additional tax revenue.

The Department appreciates that:

- businesses may have a choice of international locations where they can locate jobs; and
- many existing Island businesses require additional skilled staff who are not available locally.

As such, the Department wishes to incentivise businesses to bring new employees<sup>14</sup> to the Island.

In recognition of the additional recruitment and relocation costs in connection with off-Island employees, subject to meeting eligibility requirements, financial assistance is available where jobs are filled by off-Island workers.

This is subject to the following conditions:

- that the minimum gross salary in respect of which assistance is sought is £25,000 per annum, and;
- that the business is either expanding its overall workforce by at least the number of full-time equivalent employees (FTEEs) in respect of which assistance is sought, or;
- the business is backfilling an existing role. This is subject to the Department's discretion and budget constraints.

### Assistance available

Assistance is by way of a grant, paid retrospectively, of 20% of the salary paid to the relevant employee for their first year of employment on the Island. For the purposes of this calculation, the amount of the salary will exclude bonuses, discretionary payments and the cost to the business of Income Tax, National Insurance and superannuation costs. The maximum grant is £10,000 per employee.

### Eligibility to apply for assistance

- **The business**
  - must be in an eligible sector (see below);
  - must have a permanent establishment / place of business in the Island;
  - must be an eligible business under the Regulations (see further at sections 1 and 2 of the main text);
  - must be up to date with all tax (including VAT) and National Insurance obligations including returns and payments.

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<sup>14</sup> For the purposes of this Appendix, the term "employee" means the employee who fills or will fill the position in respect of which the application for assistance is made; this could include a new employee or an existing employee of the business who is relocated to the Island.



- **The job**
  - must constitute permanent, regular employment; and
  - must not be an excluded employment (see below).
- **The employee**
  - must be directly employed by the business;
  - their work must take place predominantly on the Island;
  - must not have been resident on the Island for income tax purposes prior to employment in the job;
  - must become resident on the Island for income tax purposes for the period of employment in respect of which the grant is claimed;
- **Other**
  - an application must be submitted to the Department prior to the individual commencing employment with the Company, in order to be eligible;
  - only one claim may be made per job / employee; and
  - an applicant must comply with the Control of Employment Act 2014 (CEA) and, in the case of any proposed workers from outside the Common Travel Area, with the Immigration Act 1971 (of Parliament) and the immigration rules made under it, as they have effect on the Island.

In some cases the jobs may be covered by exemptions under the CEA. Where an exemption does not apply, applicants are advised to seek advice from the Department prior to or at the time of application.

#### **Eligible sectors**

Applicants meeting the eligibility criteria and recruiting staff engaged principally in export-related activity in the following sectors may apply for financial assistance:

#### **Financial and Professional Services -**

- banking
- insurance
- fiduciary
- fund management
- space
- management of ships, yachts or aircraft
- legal and accounting
- other financial services
- Manufacturing
- E-Business and Information and Communication Technologies (ICT)<sup>15</sup>
- Specialist Construction roles (Architects & Quantity Surveyors only)

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<sup>15</sup> “**Information and Communications Technologies (ICT)**” comprises the use of digital technology as a central part of the development, manufacture or delivery of a product or service; “**e-business**” means the supply or

- Childcare & Nursery roles;
- Critical Services roles (including but not limited to Allied Health Professionals, Pharmacists, Veterinary Care etc.);
- Tourism, Hospitality and Retail

Applicants, whose principal business is ICT / E-Business may apply for assistance even if not engaged principally in export-related activity provided that they meet the other general criteria set out in this Appendix.

### **Excluded employments**

Assistance is not available in respect of the following employments:

- in the supply, in the course of a business, of food or drink from a vehicle, tent or temporary structure;
- in the sale of retail goods other than from a permanent place of business in the Island;
- in or in connection with construction operations (unless specified above); or
- in the provision of personal care

### **Ineligible operations**

Neither is financial assistance available where in the Department's opinion, in order to obtain grant assistance, the business:

- manipulates the employment status of some or all of the workforce (including after receipt of a grant);<sup>16</sup>
- moves jobs between connected Island employers or Isle of Man companies (including newly created companies) within the same Group (so that the jobs are not, in effect, new jobs); or
- seeks to displace existing workers.

### **Application requirements**

- a signed application form (see 11. );
- a summary of the business plan explaining how the applicant plans to increase its workforce on the Island. This must include:
  - (in the cases of existing businesses) details of the applicant's current workforce, specifically numbers of directly employed, permanent employees, both full-time and part-time, the latter also expressed as FTEEs;
  - details as to jobs and salaries in respect of which assistance is claimed and (where appropriate) clarification as to which jobs are to be new jobs;
- permission for the Department to obtain information from the Treasury as to the applicant and the applicant's employees in respect of whom assistance is sought

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delivery of goods and services primarily by electronic means using the internet or similar electronic networks and to avoid doubt, includes online gambling within the meaning of section 1(1) of the *Online Gambling Regulation Act 2001*.

<sup>16</sup> For example, a self-employed individual incorporates and becomes an employee in order to receive a payment, then reduces the salary and pays dividends in order to save NIC.

(which will in turn require the applicant to obtain the requisite permissions from its own employees).

Before an application is submitted, the applicant must approach the Department to establish whether an application can be made. Please note that the application must be submitted to the Department prior to the individual commencing employment with the Company.

### **Notification requirement**

Applicants must notify the Department when each employee in respect of whom assistance is sought commences employment in the Island.

### **Conditions for payment of grants**

Payment of assistance will be made retrospectively only after it has been confirmed to the Department's satisfaction:

- the relevant employee in respect of whom assistance is sought has completed 12 months' continuous service<sup>17</sup>;
- the salary paid to the employee for the relevant 12 month period;
- the employment is consistent with details which were provided in the application;
- the employment is to continue (and on the same basis); and
- Where the applicant has applied for assistance regarding a new role, it is expected that the applicant's workforce has expanded in accordance with plans that were provided at the time of application (and to this end the applicant must provide information as to the number of FTEs working in the business at the end of the 12 month period).
- The Department will determine on a case by case basis the date by which the employee must have taken up the role in the company.

The Department will also verify data with the Treasury before any assistance is paid and, where assistance has been paid, will retain the right to require part or full repayment, where in the Department's opinion the business does not comply with both the terms and conditions contained in this Appendix, in addition to the standard terms and conditions for assistance under the Financial Assistance Scheme referred to in paragraph 9 of these Guidelines.

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<sup>17</sup> Where the employee has not completed 12 months' continuous service no pro rata payment will be made.

## Appendix 6B - Graduate Role Incentive

The Department is seeking to encourage an expansion of the Island's graduate workforce. This is in the Island's national interest as it helps both to grow the Island's working population and reverse the increasing dependency ratio.

The Department appreciates that:

- businesses may have a choice of international locations where they can locate jobs; and
- Employing a recent graduate will likely incur a short-term financial cost associated with training and lost efficiency whilst the individual gains experience.

As such, the Department wishes to incentivise businesses to provide a greater number of graduate opportunities.<sup>18</sup>This is subject to the following conditions:

- that the minimum gross salary in respect of which assistance is sought is £21,000 per annum, and;
- the business is expanding its overall workforce by at least the number of full-time equivalent employees (FTEEs) in respect of which assistance is sought. This is subject to the Department's discretion and budget constraints.
- Where the overall workforce of the business has reduced, the business must show that the number of FTEEs has grown in the area for which assistance is being sought (subject to department discretion).
- Where a business makes recurring graduate hires, an average will be taken over the previous five intakes to determine a 'standard' intake.<sup>19</sup> Any roles over this standard intake number shall be eligible for support provided all other eligibility criteria are met.

### Assistance available

Assistance is by way of a grant, paid retrospectively, of 20% of the salary paid to the relevant employee for their first year of employment on the Island up to a maximum of £6,000 per graduate. For the purposes of this calculation, the amount of the salary will exclude bonuses, discretionary payments and the cost to the business of Income Tax, National Insurance and superannuation costs.

In addition, an Employer NI refund is available subject to the same requirements up to a maximum of £3,055 per employee. The total payment shall be paid in a single lump sum in arrears.

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<sup>18</sup> For the purposes of this Appendix, the term "employee" means the employee who fills or will fill the position in respect of which the application for assistance is made.

<sup>19</sup> This average shall be taken from those who started on previous intakes rather than those who completed them.

## Eligibility to apply for assistance

- **The business**
  - must have a permanent establishment / place of business in the Island;
  - must be an eligible business under the Regulations (see further at sections 1 and 2 of the main text);
  - must be up to date with all tax (including VAT) and National Insurance obligations including returns and payments.
  - May not claim both the Graduate Role Incentive (GRI) as well as the Employee Relocation Incentive (ERI) for the same role.
  
- **The job**
  - must be full-time, regular employment lasting not less than one year; and
  - must require an RQF Level 6 qualification or higher in the job description; and
  - must be a new job to grow the firm's existing headcount.<sup>20</sup> Where overall headcount is reduced, it must show an increase in headcount in the section of the business the role has been created in and funding under these circumstances remain subject to the Department's discretion on a case-by-case basis.
  
- **The employee**
  - must be directly employed by the business;
  - their work must take place predominantly on the Island;
  - must have graduated from an accredited Higher Educational institution at RQF Level 6 or higher (or equivalent) within 2 years of the commencement of employment;
  - must become resident on the Island for income tax purposes for the period of employment in respect of which the grant is claimed if not already tax resident;
  
- **Other**
  - an application must be submitted to the Department prior to the individual commencing employment with the Company, in order to be eligible;
  - only one claim may be made per job / employee;
  - an applicant must comply with the Control of Employment Act 2014 (CEA) and, in the case of any proposed workers from outside the Common Travel Area, with the Immigration Act 1971 (of Parliament) and the immigration rules made under it, as they have effect on the Island;
  - in some cases the jobs may be covered by exemptions under the CEA. Where an exemption does not apply, applicants are advised to seek advice from the Department prior to or at the time of application.

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<sup>20</sup> Note a full-time temporary placement lasting no longer than 12 weeks will not be included in the firm's overall headcount calculations.

## **Ineligible operations**

Financial assistance is not available where in the Department's opinion, in order to obtain grant assistance, the business:

- manipulates the employment status of some or all of the workforce (including after receipt of a grant);<sup>21</sup>
- moves jobs between connected Island employers or Isle of Man companies (including newly created companies) within the same Group (so that the jobs are not, in effect, new jobs); or
- seeks to displace existing workers.

## **Application requirements**

- a signed application form (see 11.);
- a summary of the business plan explaining how the applicant plans to increase its workforce on the Island. This must include:
  - (in the cases of existing businesses) details of the applicant's current workforce, specifically numbers of directly employed, permanent employees, both full-time and part-time, the latter also expressed as FTEEs;
  - details as to jobs and salaries in respect of which assistance is claimed;
  - A job description for the vacancy the graduate would be filling to ensure it is suitable graduate-level employment;
  - Development plans for the graduate to ensure the employment has sufficient opportunities for development, including criteria required for the graduate to be retained following the end of the period for which financial support is available;
- permission for the Department to obtain information from the Treasury as to the applicant and the applicant's employees in respect of whom assistance is sought (which will in turn require the applicant to obtain the requisite permissions from its own employees).

Before an application is submitted, the applicant may approach the Department to establish whether an application can be made. Please note that the application must be submitted to the Department prior to the individual commencing employment with the Company.

## **Notification requirement**

Applicants must notify the Department when each employee in respect of whom assistance is sought commences employment in the Island.

## **Conditions for payment of grants**

Payment of assistance will be made retrospectively only after it has been confirmed to the Department's satisfaction:

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<sup>21</sup> For example, a self-employed individual incorporates and becomes an employee in order to receive a payment, then reduces the salary and pays dividends in order to save NIC.

- the relevant employee in respect of whom assistance is sought has completed 12 months' continuous service and is no longer on any probationary period;<sup>22</sup>
- the salary paid to the employee for the relevant 12 month period;
- The National Insurance paid by the employer for the relevant 12 month period;
- the employment is consistent with details which were provided in the application;
- As the applicant has applied for assistance regarding a new role, it is expected that the applicant's workforce has expanded in accordance with plans that were provided at the time of application (and to this end the applicant must provide information as to the number of FTEs working in the business at the end of the 12 month period).
- The Department will determine on a case by case basis the date by which the employee must have taken up the role in the company.
- Where the employee does not complete 12 months' continuous service, the business must notify the department detailing the reasons for their departure.

The Department will also verify data with the Treasury before any assistance is paid and, where assistance has been paid, will retain the right to require part or full repayment, where in the Department's opinion the business does not comply with both the terms and conditions contained in this Appendix, in addition to the standard terms and conditions for assistance under the Financial Assistance Scheme referred to in paragraph 9 of these Guidelines.

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<sup>22</sup> Where the employee has not completed 12 months' continuous service no pro rata payment will be made.

## Appendix 7: Financial Assistance in respect of research & development

Applicants are required to demonstrate that any proposed research and development expenditure should lead to the business developing innovative products or services with future commercial potential. In turn this is expected to lead to high-value export growth and job creation.

### Qualifying research and development expenditure may include:

- testing and developing an innovative idea;
- developing a new product or service;
- an early stage feasibility study;
- prototyping, field trials, market tests, proof of concept, validation;
- late stage product or service development and testing.

### Permissible costs include:

- facilities and premises;
- materials consumed;
- capital equipment;
- sub-contractor costs;
- third party consultancy fees;
- reasonable overheads;
- travel and subsistence (Government approved rates);

other costs e.g. technical reports, licensing new technologies, software, certification or other such costs as agreed by the Department on a case by case basis.

The Department may consider on-Island wage costs for an employee (other than that of a shareholder or director) with grant assistance being paid in respect of the actual costs, as verified by payslips. Such support would be considered on a case by case basis. The maximum amount of assistance which may be claimed in relation to wages is £10,000, and is restricted to employees working directly on research and development.

The Department will review the research and development expenditure against the following criteria:

- the likely commercial potential of the product or service;
- the likelihood of the project meeting its proposed objectives within 12 months;
- potential job creation;
- the applicant's track record.

Generally, only one grant application is permitted in any 12 month period and applicants are encouraged to take this into account and plan for the forthcoming year's expenditure when applying. However, in exceptional circumstances where job growth and creation can



be proven, the Department may at its discretion allow further applications. Total financial assistance (excluding wage costs) is capped at £25,000 per annum.

## Appendix 8: Support for additional child care & nursery provision

### Background

A recent report undertaken by the Social Affairs Policy Review Committee highlighted the acute shortage of nursery and child care facilities for 0-5 year old children, in particular provision for those under 2 years. It required the Department of Health and Social Care, Department of Education, Sport and Culture, Department for Enterprise and Treasury to work together to develop an holistic strategy to start to address the issue.

The shortage of nursery and childcare facilities is a factor that can inhibit economic growth as it potentially prevents parents returning to work and is often seen as a barrier by new workers looking to relocate to the Island.

The support under Appendix 8 for additional child care and nursery provision is ongoing and forms part of ongoing reviews. It is aimed at businesses that have increased funding requirements above those afforded to them via the Micro Business Grant Scheme, which allows new businesses to access support of up to £15,000.

### Assistance Available

For start-up nursery and child care businesses or such existing businesses wishing to expand, the Department has the following support available through a fast track simplified application process:

- Up to 100% rent support for 12 months;
- Up to 40% towards modifications required to buildings;
- Up to 40% towards equipment, toys, play equipment, TVs/computers etc.;
- Voluntary access to free training support under the MBGS.

Additionally, for businesses that are prepared to expand and create at least 40% of its new nursery spaces for under 2 year olds:

- The amount available for rent support can be increased to 100% rent support for up to 24 months (regardless of location).

In all cases, the level of support would be dependent on the normal FAS application procedures, due diligence, evaluation and assessment of the jobs created by the project.

### Eligibility to apply for assistance

The person or business must be undertaking a 'Child-related care service', either as a child day care centre, or childminder, as defined by the Regulation of Care Act 2013.

### **The business**

- Must have a permanent establishment / place of business in the Island;
- Must be an eligible business under the Regulations (see further at sections 1 and 2 of the main text); and
- Must be up to date with all tax (including VAT) and National Insurance obligations including returns and payments.

### **Other**

- An applicant must comply with the Control of Employment Act 2014 (CEA) and, in the case of any proposed workers from outside the Common Travel Area, with the Immigration Act 1971 (of Parliament) and the immigration rules made under it, as they have effect on the Island;
- In some cases the jobs may be covered by exemptions under the CEA. Where an exemption does not apply, applicants are advised to seek advice from the Department prior to or at the time of application;
- An applicant must be in compliance with the Regulation of Care Act 2013.

## Appendix 11 - Accessibility Grants

### Background

The Equality Act 2017<sup>23</sup> (which replaced the Disability Discrimination Act 2006) imposes an obligation on businesses to make adjustments to its services that allows disabled people to access its services as close as is reasonably possible as non-disabled people to access that service.

A business must anticipate the different types of disability experienced by customers and therefore consider how to overcome the barriers that create a disadvantage to customers can be achieved. There is a significant benefit to making a business more accessible as the potential customer base is increased, however the Department recognises that compliance with this legal duty to make reasonable adjustments for disabled people is a cost to business. Consequently, the Department may be able to offer a grant for those businesses which aim to improve accessibility to their services for disabled people.

As the Island moves into an endemic approach following the coronavirus pandemic, the continuation of grant support towards improving the ventilation within commercial business premises has also been included within Appendix 11, in order to assist vulnerable individuals e.g. those with compromised immune systems, to access business premises and essential services.

The Business Improvement Scheme also provides consultancy advice (legislation compliance consultancy) related to the Equality Act 2017.

The Cabinet Office will shortly publish further guidance on compliance with the Act's obligations for service providers in a Code of Practice on Services, Public Functions and Associations. This follows the Code of Practice on Employment and the Code of Practice on Equal Pay.

### Assistance Available

#### General accessibility improvements:

For all existing and new businesses, the Department has the following support available through a simplified application process:

- Up to 50% towards permanent modifications required to premises (commercial business premises and offices only), which may include signage, handrails, step edges, door handles, automatic doors, ramps, lifts, lighting, contrasting floor coverings, low counters, stair lifts, accessible facilities (i.e. toilets/washrooms/quiet spaces) etc.;
- Up to 50% of plant and machinery costs which may include specialist furniture (commercial business premises and offices only), counter or room induction loops with testing device, portable payment terminals etc.;
- Up to 50% towards website modifications for accessibility purposes;

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<sup>23</sup> [https://legislation.gov.im/cms/legislation/current/by-title.html?view=acts\\_alpha](https://legislation.gov.im/cms/legislation/current/by-title.html?view=acts_alpha)

- Up to 50% of other reasonable adjustments at the Department's discretion.

The total grant available towards general accessibility improvements is capped at a maximum of £7,500 per business. The Department may in exceptional circumstances consider an application, which exceeds £7,500 based on it creating additional economic benefit (e.g. new job creation, one off construction benefit, additional visitor capability etc.). This is at the Department's discretion and the applicant is encouraged to speak to the Enterprise Support Division before applying as each application is reviewed on a case by case basis, based on its individual merit.

#### Ventilation improvements:

The Department will refund up to 50% of the approved expenditure in the areas identified below and up to 75% for Co2 monitors, up to a maximum of £5,000 per business:

- Purchase and installation of standalone CO2 monitors for single spaces (up to 75% grant);
- Purchase and installation of networked CO2 monitors for multiple spaces (up to 75% grant);
- Purchase and installation of air/filters/purifiers;
- Purchase and installation of window contact sensors;
- Window servicing (including assessment of needs and costs of scaffolding, if required);
- Purchase and installing of airbricks (including assessment of needs and cost of scaffolding, if required);
- Purchase and installing of vents (including assessment of needs and costs of scaffolding, if required);
- Unblocking windows/small repairs/enhancements (including the purchase of any related products);
- Purchase and installation of small mechanical vent - extractor fan (including assessment of needs and costs of scaffolding, if required);
- Purchase and installation of monitoring equipment (including monitoring for large mechanical ventilation systems);
- Purchasing and fitting automatic openers for ceiling windows;
- Undercutting/raising non fire doors;
- Independent Health & Safety Report with a recommendation on the ventilation works (this report cannot be issued by any company selling, installing or affiliated with the ventilation system or the works carried out);\*
- Any other reasonable costs as agreed by the Department on a case by case basis.

\*The Department will fund 100% of the cost associated with obtaining an independent Health & Safety report up to a maximum of £500.

Although an independent health and safety assessment is not compulsory, the Department would encourage businesses to ensure any ventilation works and ventilation systems purchased and installed are suitable and effective for the space in which they will be used.

**Note:**

- All goods and services relating to ventilation improvements must be purchased from Isle of Man incorporated businesses and the applicant must provide invoicing to this effect.
- Ventilation work that is not related to mitigating the potential airborne transmission of coronavirus will **not** be eligible for grant assistance e.g. ventilation for dust / heat extraction or over cooking areas. Officers may visit the business premises to view the work that has been carried out before an application is approved or any grant payment is made.
- In the case of any construction work, the applicant should undertake, wherever practical, to seek quotes from Construction Isle of Man (CIOM) accredited professionals for the work involved (details can be obtained from Construction Isle of Man, Eagle Lab, Queen Victoria House, Victoria Street, Douglas, Isle of Man, IM1 2LF - Telephone (01624) 660188 or email: [info@constructioniom.im](mailto:info@constructioniom.im)).
- Only eligible costs towards ventilation improvements incurred from 17<sup>th</sup> January 2022 will be eligible for grant assistance.
- In terms of general accessibility modifications, the application must be submitted before any expenditure is carried out; any retrospective expenditure will **not** be eligible for assistance.
- The total grant available under Appendix 11 is capped at a maximum of £7,500 per business for general accessibility modifications, with an additional maximum of £5,000 per business for ventilation improvements.
- Only one application for ventilation improvements and one application for general accessibility modifications per business will usually be allowed.

**Eligibility to apply for assistance****The business**

- Must have a permanent establishment / place of business in the Island;
- Must be an eligible business under the Regulations (see sections 1 and 2 of the main text); and
- Must be up to date with all tax (including VAT) and National Insurance obligations including returns and payments.

**Assessment criteria**

The following criteria are considered when an application is assessed:

- How the project will improve access to the premises for disabled people;
- If the business has received consultancy advice regarding compliance with the Equality Act 2017; and

- If the business has considered a range of impairments which may include mobility, visual, hearing, limited dexterity and hidden disabilities (i.e. mental health; autism, dyslexia, epilepsy, cancer, dementia, bowel disorders).

### **Information to be supplied**

All applicants must provide a fully completed and signed application form which will include;

- Details of the business;
- Details of assistance sought; and
- The Department's standard declarations.

The following should be supplied in addition to the application form:

- Short business case;
- Details of the proposed project; and
- Number of part time, full time, permanent or temporary staff employed
- A copy of the latest accounts and management accounts.

The Department reserves the right to request further information.

It is suggested that the applicant speak to their Business Development Manager before applying to ensure that the proposed project is within recognised accessibility standards.

### **Application Process**

Information about the application process is available on the Department's web site [www.iomdfenterprise.im](http://www.iomdfenterprise.im)

## Appendix 12: Financial assistance for marketing the Island as a destination

The Isle of Man is regarded as an attractive destination where people choose to live and work and where businesses and entrepreneurs choose to locate and invest, finding the workers they need to drive economic growth and diversification.

In 2019 Tynwald unanimously approved the Locate Strategy which sought to capitalise on this proposition to grow the economically active population and the Locate Strategy includes a wide range of initiatives and marketing campaigns to achieve this purpose.

As well as the direct campaigns the Department leads on, the Department wishes to support the private sector in similarly reaching out to audiences that may consider investing in, and ultimately relocating to the Island and recognises that private sector businesses may have a different approach and reach with their campaigns. The Department wishes to stimulate this activity with financial assistance that is available on a match funded basis for eligible marketing activity across a range of businesses where the goal is to relocate businesses and individuals.

### Basic eligibility criteria

It should be noted that businesses need to be sole traders, partnerships established on the Island or Isle of Man incorporated entities to be eligible. Where a company is registered in another jurisdiction and employs Isle of Man Staff, this may be eligible for assistance and this determined on a case by case basis.

Applicants must demonstrate that financial assistance is required for initiatives which promote the Island, are likely to attract business and/or individual relocations or new business. Company day to day marketing expenditure is not included, especially where it promotes only the Company.

### Activities which are eligible for financial assistance

- Marketing/PR and Digital Advertising related to the Isle of Man as a place to live, work or invest (e.g. adverts online, in magazines, search engine optimization etc.); and
- Arrangement of bespoke events (e.g. an event which promotes investing in Isle of Man Companies or relocation to the Island) such as presentations for potential clients and customers, assistance with room hire, event organisation, travel and accommodation or the costs of digital events.

For example, a Company may wish to advertise in Ireland for university graduates or skilled workers. Therefore targeted advertisements promoting specific career opportunities and the Isle of Man as an attractive place to live and work may be necessary to attract these workers. A marketing plan would be eligible expenditure as it is promoting the Island as a place to live, work and invest.

Application forms must be received before any expenditure has been incurred. An applicant who undertakes travel/expenditure before a decision has been made in respect of such an application must accept the risk that he or she may not receive any reimbursement of those costs if financial assistance towards the travel costs is not approved.



### **Assistance available**

Assistance available is up to 50% of eligible expenditure, up to a maximum of £10,000 per annum per business. The assistance will be available for a limited period subject to ongoing reviews.

Total financial assistance to a group which comprises a number of companies will be limited to £10,000 per year except in exceptional circumstances.

### **Application process**

Applications will be assessed on a case by case basis by a member of the Locate team and a member of the Enterprise Support Division. Applicants should:

- Complete the application form;
- A short business case and details of the proposed marketing activity with details of costs and intended outcomes;
- The potential effect of the marketing on the profile of the Island as a whole or relocation opportunity; and
- A declaration as to the staffing levels in the business.

### **Payment process**

Claimants should:

- Complete payment claim form F103;
- Submit paid invoices to the Department together with an invoice summary sheet; and
- The Company will be required to provide a brief report on the success of its marketing activity, measured against the outcomes expected within the business case.

### **Additional notes**

- Subsistence claims will be paid in accordance with the daily rates detailed in the application form; and
- No financial assistance will be provided in respect of alcoholic beverages;
- The Department's Business Improvement Scheme may also be available to help businesses trade online e.g. for development of a website. Where appropriate, websites should link to the Department's websites;
- Successful applicants may request permission to utilise certain content, literature and imagery which is the property of the Department, to assist in the promotion of the Island as a place to live, work and invest.

## Appendix 14: Seasonal Worker Incentive

### Background

The Department is seeking to encourage an expansion of the Island's tourism and hospitality workforce and secondary supporting sectors. These sectors have been heavily impacted during the COVID-19 pandemic in terms of general staffing for different positions, ranging from Chefs to waiting-on staff.

For example, the Island's fishing and seafood sectors support the tourism and hospitality sector, supplying fresh, local produce. This is a seasonal industry which depends heavily on being able to recruit temporary workers during the summer months.

The Island needs to attract all manner of skills and labour into the Island's tourism and hospitality sector and supporting sectors, in line with the Island Plan's strategic policy of supporting a diverse economy.

The Employee Relocation Incentive supports businesses recruiting specialist-level roles and this Appendix seeks to assist businesses with recruiting lower-level roles within these sectors.

This is in the Island's national interest, as it helps both to grow the economy and to balance the Government's budget by generating additional tax revenue and National Insurance contributions.

The Department appreciates that many existing Island businesses require additional skilled staff who are not available locally.

As such, the Department wishes to incentivise businesses to bring new employees<sup>24</sup> to the Island.

In recognition of the additional recruitment and relocation costs in connection with off-Island employees, subject to meeting eligibility requirements, financial assistance is available where jobs are filled by off-Island workers or students in their last year of study.

This is subject to the following conditions and the eligible employee being paid at least the minimum wage and contracted to a minimum of 30 hours per week.

### Assistance available

Assistance is by way of a grant, paid retrospectively, of £1,000 per employee. 50% of the grant (£500) is to be paid to the business after presenting the first month's payslip of the new employee. The remaining 50% (£500) is to be paid to the business after presenting the new employee's sixth month's payslip. The maximum grant is £1,000 per employee for this Appendix.

In order to receive the first £500 grant payment, the employee's first month's payslip must show that the individual has been paid at least the minimum wage and has been contracted to work a minimum of 30 hours per week. In order to receive the second £500 grant payment, the business must evidence that the employee has been paid at least the minimum wage and has been contracted to a minimum of 30 hours per week for the 6 month period (all calculations exclude overtime and other benefits).

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<sup>24</sup> For the purposes of this Appendix, the term "employee" means the employee who fills or will fill the position in respect of which the application for assistance is made; this could include a new employee or an existing employee of the business who is relocated to the Island.

The £1,000 grant is to be used at the business's discretion but it is encouraged to support the employee with their relocation to the Island.

If, on application for this grant, the business indicates that they will use it to provide an enhanced or differentiated employee package for either a £500 upfront cash payment to support the cost of accommodation or to make accommodation available to the employee, the business will be eligible to be included in the marketing campaign.

Please contact the Locate team for further information email: [locate.dfe@gov.im](mailto:locate.dfe@gov.im) or phone: [+44 \(0\) 1624 686400](tel:+441624686400).

### **Eligibility to apply for assistance**

- **The business**
  - must be in an eligible sector (see below);
  - must have a permanent establishment / place of business in the Island;
  - must be an eligible business under the Regulations (see further at sections 1 and 2 of the main text);
  - must be up to date with all tax (including VAT) and National Insurance obligations, including returns and payments.
- **The job**
  - must constitute a full time, fixed-term / seasonal contract of employment;
  - must pay the eligible employee at least the minimum wage and be contracted to a minimum of 30 hours per week (all calculations exclude overtime and other benefits); and
  - must not be an excluded employment (see below).
- **The employee**
  - must be directly employed by the business;
  - their work must take place predominantly on the Island;
  - except for the three months prior to employment must not have been resident on the Island for income tax purposes for any of the previous six years unless classed as a Manx Student;
  - must be resident on the Island for the period of employment in respect of which the grant is claimed and National Insurance and ITIP must be deducted from the salary paid; if a Manx Student, the employee must provide evidence that they are in their last year of study.
- **Other**
  - an application must be submitted to the Department prior to the individual commencing employment with the Company, in order to be eligible;
  - only one claim may be made per job / employee;
  - an applicant must comply with the Control of Employment Act 2014 (CEA) and, in the case of any proposed workers from outside the Common Travel Area, with

the Immigration Act 1971 (of Parliament) and the immigration rules made under it, as they have effect on the Island;

- in some cases the jobs may be covered by exemptions under the CEA. Where an exemption does not apply, applicants are advised to seek advice from the Department prior to or at the time of application.

### **Eligible sectors**

Eligible businesses recruiting into the tourism, hospitality and retail sectors and the fishing and seafood processing sector with applicants meeting the eligibility criteria may apply for financial assistance.

Please note, the business cannot apply for both the Appendix 6a/b and Appendix 14.

### **Excluded employments**

Assistance is not available in respect of the following employments:

- Financial and Professional Services -
  - Banking;
  - Insurance;
  - Fiduciary;
  - Fund management;
  - Space;
  - Management of ships, yachts, and aircraft;
  - Legal and accounting;
  - Other financial services.
- Manufacturing;
- E-Business, Information and Communications Technologies;
- Specialist construction roles;
- in or in connection with construction operations (unless specified above);
- in the provision of personal care;

### **Ineligible operations**

Neither is financial assistance available where, in the Department's opinion, in order to obtain grant assistance, the business:

- manipulates the employment status of some or all of the workforce (including after receipt of a grant);<sup>25</sup>
- moves jobs between connected Island employers or Isle of Man companies (including newly-created companies) within the same group (so that the jobs are not, in effect, new jobs); or
- seeks to displace existing workers.

### **Application requirements**

- a completed application form;
- a brief summary of the business plan explaining how the applicant plans to increase its workforce on the Island. This must include:
  - an executive summary of the business;

- (in the cases of existing businesses) details of the applicant's current workforce, specifically numbers of directly employed, including how many employees are permanent / fixed term / temporary, and how many are full-time and part-time;
- details as to jobs and the gross salaries in respect of which assistance is claimed and (where appropriate) clarification as to which jobs are to be new jobs and which are backfilled positions; confirmation of it the role/s have been advertised locally and where;
- a brief summary of the candidate(s) e.g. where are they relocating from and any relevant skills and experience, if known;
- confirmation of the anticipated start date(s), if known;
- if employing a Manx student, evidence must be provided to confirm that the student is in their last year of study;
- permission for the Department to obtain information from the Treasury as to the applicant and the applicant's employees in respect of whom assistance is sought (which will in turn require the applicant to obtain the requisite permissions from its own employees).

Before an application is submitted, the applicant must approach the Department to establish whether an application can be made. Once this has been established, applicants must submit the above information. Please note that the application must be submitted to the Department prior to the individual commencing employment with the Company.

### **Notification requirement**

Applicants must notify the Department when each employee in respect of whom assistance is sought commences employment in the Island.

### **Conditions for payment of grants**

Payment of assistance will be made retrospectively only after it has been confirmed to the Department's satisfaction:

- the relevant employee in respect of whom assistance is sought has completed one month and six months' continuous service<sup>25</sup>;
- In order to receive the first £500 grant payment, the employee's first month's payslip must show that the individual has been paid at least the minimum wage and has been contracted to work a minimum of 30 hours per week. In order to receive the second £500 grant payment, the business must evidence that the employee has been paid at least the minimum wage and has been contracted to a minimum of 30 hours per week for the 6 month period (all calculations exclude overtime and other benefits).
- the employment is consistent with details which were provided in the application;

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<sup>25</sup> For example, a self-employed individual incorporates and becomes an employee in order to receive a payment, then reduces the salary and pays dividends in order to save NIC.

<sup>26</sup> Where the employee has not completed six months' continuous service no pro rata payment will be made.

- where the applicant has applied for assistance regarding a new role, it is expected that the applicant's workforce has expanded in accordance with plans that were provided at the time of application;
- the Department will determine on a case by case basis the date by which the employee must have taken up the role in the company.

The Department will also verify data with the Treasury before any assistance is paid and, where assistance has been paid, will retain the right to require part or full repayment, where in the Department's opinion the business does not comply with both the terms and conditions contained in this Appendix, in addition to the standard terms and conditions for assistance under the Financial Assistance Scheme referred to in section 9 of these Guidelines.

## Appendix 15: Digital Creation

### Background

Digital Creation Isle of Man (DC IOM) provides recoupable financial assistance to approved content production and related enterprises in media such as TV & Film, Animation, Games & Video, Technology Innovation and Content Distribution. Provision of the assistance aims to:

- Attract inward investment to the Isle of Man which will provide economic benefits (revenues, jobs, profits, expenditure in the local economy) and associated fiscal benefits (direct and indirect taxes);
- Assist Isle of Man start-ups and existing businesses to grow and to consider the Isle of Man as the location of choice for future projects. This growth is expected, on most occasions, to include an increase in the number of employees.

It is intended that provision of the assistance will encourage job creation, exchequer benefit, build and maintain the media sector on the island, and its overall contribution to the economy. DC IOM encourages existing businesses to grow their activity, and new businesses to develop on the Island. The opportunity exists not only to encourage new projects, but also to develop projects in conjunction with private sector partnerships and contacts. It is very different to past film financing which supported one-off projects; this assistance focuses on sustainability.

### Assistance Available

The financial assistance available will not exceed 40% of the required funds for each funding round. The Department will not consider support which would lead to it being the major investor or shareholder in the project.

Support is capped at £350k per project; however in exceptional circumstances the Department may consider support over the cap where there are substantial economic benefits. Please note this is at the Department's discretion. The support is typically available for the length of the proposed project; however this should not exceed a period of up to 5 years.

The financial assistance subject to this initiative is made available on a purely discretionary basis. The level of support offered is determined by the exchequer benefit created by the project. This is measured via the direct tax costs associated with any proposed additional employment to be created (applied on a pro-rata basis over a 5-year period) and any other exchequer benefit created.

Funding obtained / to be obtained from the Department or any other Government Department in the 12-month period before or after application in relation to the project will be taken into account in determining the total support available.

Support applies to both existing and new ventures and eligible businesses may submit repeat applications. Businesses who have received funding under the Scheme will not be eligible to receive further funding in the 12-month period immediately following the receipt of that funding. However, in exceptional circumstances where the business has exceeded its forecasts and performance, or the Department deems it necessary to support

the development of the business, another application may be considered at Department's discretion.

The consideration of loan support is dependent on receipt of a full business plan and the evaluation by the Department or its advisers confirming the viability and sustainability of the project and its compliance with the eligibility criteria of the Scheme.

The purpose of loans under the Scheme is to support start-ups or business growth, job creation and new exchequer benefit. Loans may also be used towards the creation of an asset.

The application for a loan must include a narrative which demonstrates how the loan will facilitate that purpose. Loans will not be awarded to businesses in difficulty or experiencing short-term cash flow issues etc.

The type of loan offered is dependent on the individual circumstances as follows:

**Secured loans** - Provided adequate security can be provided by a debenture on the assets of the Company or personal guarantees or a combination of both, the Department can provide a simple loan at a competitive interest rate. Because administration is straightforward, there is no administration or facility fees or other costs applied, but the applicant company would be responsible for its own legal advice and other costs.

**Unsecured loans** - If the Company cannot offer any suitable security and/or cannot demonstrate a track record or positive cash flow loan support may still be available if the business has confirmed orders and is about to expand rapidly and can meet future interest payments. The interest rate applied will typically be higher than the secured loan option and the Department may apply a premium such as a royalty or commission on sales. Interest repayments may be deferred to assist cash flow in the early stages.

The business must be able to demonstrate that it can afford to make the schedule of repayments.

The applicant must have in place relevant business experience and a management team that possesses the relevant skills, experience and/or qualifications to carry out the proposed business activities.

Other terms and conditions may be applied depending on the individual circumstances.

The Department will monitor the progress of the business and the repayment of the loan with the flexibility to revisit the repayment schedule if necessary.

For unsecured loans an administration charge of up to 5% of the assistance provided may be taken at source. The Department may vary this amount and will reduce it in respect of larger applications in order to cover its underlying administrative costs.

### **Eligibility**

Businesses must in the first instance comply with the eligibility criteria set out in the scheme as follows:



- That some or all of the persons employed by the business are or will be Isle of Man staff;
- At least 20% of the activities in respect of which financial assistance is sought will take place in the Isle of Man;
- It can be conducted lawfully in the Isle of Man;
- Is not or would not be detrimental to the physical environment of the Isle of Man;
- Would not bring or would be likely to bring the Isle of Man or the Government into disrepute;
- No person involved in controlling the business and no relevant shareholder is disqualified from holding an appointment as a director or a company secretary anywhere in the world at the time of application;
- No person involved in controlling the business is the subject of an outstanding execution anywhere in the world at the time of application;
- No person involved in controlling the business is insolvent at the time of application.

The Scheme states that a declaration must be submitted by the applicant to the Department, which confirms:

- (a) the disclosable beneficial owners of the business at the time of application to the Department;
- (b) whether or not, at the time of application, the business is in compliance with the law in the Isle of Man (or, where the business is not based in the Isle of Man at the time, the laws of the jurisdiction in which the business is based) in relation to:
  - income tax;
  - national insurance;
  - value added tax;
  - any other taxes or duties payable;
  - health and safety;
  - planning;
  - employment; and
  - immigration and work permits.
- (c) any instances of non-compliance with the law in any of those respects occurring in the period of one year ending with the time of application;
- (d) any debts owed by a person involved in controlling the business, a relevant shareholder or any business with which those persons are associated which are overdue by more than 6 months at the time of application; and
- (e) any criminal convictions of a person involved in controlling the business or a relevant shareholder at the time of application. It is immaterial where the offence was committed or where the conviction was imposed. The following offences are to be disregarded:
  - offences which are spent for the purposes of the Rehabilitation of Offenders Act 2001 (or would be had the convictions occurred in the Isle of Man); and
  - offences which are not punishable with custody or would not be so punishable if committed in the Isle of Man.

Further eligibility requirements are that the business must:

- Be seeking to create or expand an Isle of Man presence;
- Fully co-operate in the evaluation and future marketing of the Scheme; and
- Sign an agreement to abide by all the terms and conditions.

For the avoidance of doubt, financial assistance may be provided to an off-Island business in respect of a business established or to be established in the Isle of Man.

Specific to these guidelines, the production or related service must:

- Have a portion of existing funds in place, the source of which must be made known and which have been vetted and verified; and
- Target off-Island markets so have export/international potential.

### **Application Process**

The Department will evaluate and will prepare reports for consideration and a decision by the Department and if over £100,000, Treasury concurrence will be required.

For complex loans, the Department will progress the application and evaluation as far as possible and then engage an external suitably qualified and licensed Investment Adviser to undertake the evaluation and prepare reports for consideration prior to a decision.

The outline application process is as follows:

#### **Initial Enquiry**

All applicants are required to submit an initial online enquiry form to the Department.

The online enquiry form can be found at <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/enquiry/>

The initial enquiry form must contain the following written details:

- Contact name, company name and full contact details
- Value of loan required
- Total value of other funding raised and details of funding request refusals
- Number of jobs and salary details created by the investment

The Department receives the initial enquiry and acknowledges receipt.

#### **Application, Review and Evaluation**

The Department will examine the enquiry and seek further information as appropriate including a full detailed business plan if not already received.

If the Department determines that the applicant appears to be eligible and that the proposed project for which support is sought is potentially suitable, an application form will be issued.

Applicants must declare details of any other applications for financial assistance or grants submitted by the applicant in respect of the same business or any similar business within

the previous 5 years to the Department, any other Department or Statutory Board of the Isle of Man Government or a Government or public authority in a jurisdiction other than the Isle of Man.

It must contain details of the amount and type of assistance required summarised as follows:

- The type of loan
- The amount
- The repayment period

The Scheme Manager will assess the following factors relevant to the award of financial assistance:

- Eligibility
- Viability of the business
- Wages and Salaries
- Job Creation
- Location of Beneficial Owners
- Local spend and secondary exchequer benefits including benefit from construction work
- Dividend Policy

Applications may be declined at this point if it does not comply with the Scheme or any guidance provided. The Applicant will be advised of the reasons for rejection and where appropriate, information as to the manner in which a defective application may be rectified.

Where the application presents no particular difficulties, the Scheme Manager will prepare a report with a recommendation and pass the application to the Enterprise Development Scheme Committee (the Committee).

A business plan or executive summary will be required by the Department, if not initially received. The requirements of the business plan are summarised as follows:

- An overview of the project;
- expenditure in respect of which financial assistance is sought;
- background and current or proposed location of the business;
- CVs and relevant experience of the management team;
- details of the business: (date of registration, shareholders (to include percentages of shares owned), directors, beneficial owners etc. and links to other businesses, if any);
- budget forecasts with assumptions through to completion of the production or first 3-year service operation including details of local spend expected;
- employment structure including numbers of employees, types of jobs, wage rates etc.;
- method of revenue distribution envisaged with supporting documentation;
- full details of the rights attached to the investors' funds;
- a copy of the cash flow forecasts for the entire production or operation;
- a completion bond or similar insurance documentation for safe guarding the delivery of the product; and

- Financial information including copies of audited accounts for the previous 3 years (if applicable).

The Department checks the eligibility against the eligibility criteria, undertakes basic due diligence checks, assesses suitability for other DfE schemes support and ensures that the business isn't likely to present any reputational problems etc.

The Department will at its discretion conduct checks on the background of the directors and major shareholders of the business to assess their suitability for investment.

The enquiry can be rejected at this stage if it does not comply with the guidance provided, fails to meet the eligibility criteria or the applicant fails to supply all required information.

The Applicant will be advised of the reasons for rejection and where appropriate, information as to the manner in which a defective application may be rectified.

### **Assessment Criteria**

An application will be measured against the following set of parameters:

The first six criteria concern benefits to the Isle of Man:

1. The number of jobs created
2. The duration of employment on the Island for those involved
3. The on-Island spend relative to the financial assistance
4. The extent of the media infrastructure creation
5. The utilisation of the Island's existing infrastructure
6. The promotion of the Island in terms of business, lifestyle and tourism.

The remaining seven points are around risk mitigation and profitability:

7. The absolute risk i.e. size of the required financial assistance
8. The deal structure
9. The track record of the key people involved
10. Whether the applying business has pre-sales commitments in place like for instance a production pre-sold to a broadcaster
11. Whether distribution of the production has been agreed, or a sales network partner is in place
12. Its brand power
13. Whether the production services company has endorsements from respected sources

The list of criteria is based on a points system and applicants will be scored according to the framework that is shown in the Appendix.

### **Evaluation of the application**

The Department:

- completes checks for any income tax, national insurance or VAT arrears, etc.;
- prepares and issues an offer letter / contract between the Department and the applicant in conjunction with Attorney General's Chambers as necessary;

- arranges transfer of funds from Treasury in conjunction with the Director of Finance
- in a case where an expert has prepared the report specialist, input may be required from that person as regards the agreement between the Department and the applicant.

### **The Decision**

Where the application is successful the applicant will be notified of the offer in writing and the terms and conditions which would apply upon acceptance, standard terms and conditions are applied to each offer of financial assistance. These cover the implications of acceptance of assistance and set out the process for reporting information on the business that the Department will require as a condition of providing assistance. The Department reserves the right to withdraw an offer of assistance at its discretion.

Where the application is refused, the applicant will be advised of the decision and the reasons for it. An applicant who is refused financial assistance can ask the Department to reconsider its decision if he or she has additional information or is of the view that a relevant factor has not been taken into account. Similarly where the Department decides to offer financial assistance but on terms which the applicant considers to be unacceptable the applicant may request the Department to reconsider the terms and conditions. The Scheme is discretionary. The offer of any financial assistance is entirely at the Department's discretion.

### **Monitoring**

In respect of loan arrangements, the Department:

- manages the relationship with the recipient
- receives interest and manages loan repayments
- monitors the performance of the businesses
- ensures the recipient complies with the terms and conditions relating both to the Scheme and the particular agreement he or she has entered into with the Department.



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