"Please look at the whole picture, not just a small piece of the jigsaw" implored Treasury Minister Teare at the end of his 2012 Budget speech.

Well there's one piece that just doesn't fit in and we make no apology for returning to it, following our article 25.02.12 : "TAX: Bye, Bye ARI - Hello CGT?".

We focused on confusion created with the abolition of the ARI and a replacement measure on tax distributions introduced via a Treasury Practice Note 174/12. The Note seemed to open the door for a potential Capital Gains Tax on company assets.

Strong official denial quickly followed with a promise to issue further guidance in order to calm concern. PAG has learned that a meeting of various professional bodies and Income Tax Division was convened. The professional representatives on this Tax Liason Committee are now considering how to resolve the dilemma.

Following the meeting this very revealing eMail was circulated to ACCA members. It makes obvious that there is an unresolved problem, however close ranks and keep quiet about!
Is this the way to conduct business in an international finance centre? Treasury have had long enough to untangle this mess - after all PAG alerted the public 6 months ago to the potential problem being created by abolishing the ARI!

---

**Practice Note 174/12: Have your say**

**Dear ACCA Member**

The members of various professional bodies have met the Income Tax Division regarding the impact of Practice Note 174/12 which deals with the taxation of distributions.

It was a constructive meeting at which the Income Tax Division explained what they were trying to achieve and the professional bodies made it clear where they felt changes might be needed. The Income Tax Division are clearly prepared to clarify certain issues and to at least listen to suggestions on others. It was therefore agreed that the professional representatives on the Tax Liaison Committee would put together a submission setting out the issues as they perceive them with suggestions for possible changes.
We need a few weeks to deal with this and in the meantime, to avoid unnecessary reputational damage for the Island, it is hoped that the Islands finance sector refrains from public comments on any perceived adverse ramifications of Practice Note 174/12. It is appreciated that people will want to keep their clients advised, but it may be best to avoid the likes of general press releases and website comments that might be misinterpreted off the Island.

If you would have any views or concerns on the subject which you would like to be considered for inclusion in the paper please do not hesitate to contact ACCA Isle of Man panel member [jcomments on], who will be collating the views of the members on the Isle of Man.

Regards

ACCA Isle of Man Members' Network