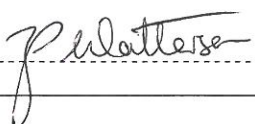


STANDARD TEMPLATE

DEPARTMENT: Chief Secretary's Office		
IMPACT ASSESSMENT OF: Terrorism and Crime (Miscellaneous Amendments) Bill 2015		
Stage:	Version: 1:0	Date: 30 July 2015
Related Publications:		
Responsible Officer: Karen Ramsay		
Email Address: karen.ramsay@gov.im		Telephone: 685332

SUMMARY: INTERVENTION AND OPTIONS
Briefly summarise the proposal's purpose and the intended effects <p>The object of the Terrorism and Crime (Miscellaneous Amendments) Bill 2015 is largely to fill some of the legislative <i>lacunae</i> that have been revealed by the review of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism 2005 (commonly known as the "Warsaw Convention"). The purpose of the review was to clarify to what extent the Isle of Man might comply with the provisions of the Warsaw Convention and to identify any remediable <i>lacunae</i> or gaps in Isle of Man law with a view to the Isle of Man seeking extension to it of the Warsaw Convention in due course, such Council of Ministers agree to do so.</p> <p>At the same time, the Island has been making preparations for next year's MONEYVAL review in the course of which various points have emerged which require some form of legislative amendment.</p> <p>These amendments are mostly of a technical nature.</p>
What are the options that have been considered [Note A] <p>There is an option to delay or to not implement these amendments at this time. However these are matters which have already been identified as being required or advisable in order that the AML/CFT regime of the IOM is compliant with current international standards, to facilitate the extension of the Warsaw Convention in due course and to strengthen the Island's AML/CFT framework ahead of the MONEYVAL assessment. Failure to address these areas will be identified during the forthcoming MONEYVAL review and will be seen as gaps in overall technical compliance.</p>
Link to Government Strategic Plan IE 3.2 Corporate objective - Identify a framework to facilitate MONEYVAL inspections of the IOM against FATF standards is in place including the completion of a national risk assessment register
Link to Department/Statutory Board/Office Aims and Objectives
Responsible Departmental Member
Ministerial sign off [Note B] <p>I have read the Impact Assessment and I am satisfied that the balance between the benefit and any costs is the right one in the circumstances.</p> <p>Signed by the Responsible Minister</p> <p> Date: 30-7-15</p>

SUMMARY: ANALYSIS AND EVIDENCE**IMPACT OF PROPOSAL****Resource Issues - Financial (including manpower) [Note C]****Statement**

The resource impact relates primarily to the staff time involved in undertaking the consultation process and in taking this short Bill through the Branches. Given the tight time frame with the MONEYVAL assessment, the Cabinet Office is leading on this legislation on behalf of the Department of Home Affairs. The resource implications will be met from within existing budgets.

The provisions themselves either address gaps or seek to simplify and speed up processes e.g. in respect of dealing with international sanctions, and are not considered to have any significant resource issues attached.

Likely Financial Costs [Note D]

One Off

Average Annual (excluding one off)

Likely Financial Benefits [Note D]

One Off

Average Annual (excluding one off)

If the proposal introduces provisions that will require another Department, Board, Office or Body to take on additional work or responsibility please ensure that they have been consulted with early on in your considerations. Please provide a brief statement as to who they are and the consultation that has taken place.

N/A

Are there any costs or benefits that are not financial i.e. social [Note E]

It remains in the best economic and reputational interests of the IOM to continually review its AML/CFT legislation to ensure that it is compliant with international standards and it is the policy of the Government to seek to meet accepted international standards. With a peer-review of compliance with AML/CFT standards forthcoming this becomes even more of a priority.

Which Business sectors/organisations will be impacted, if any, and has any direct consultation taken place?

These amendments are of a technical nature and may be of interest/relevance to e.g. the Law Society in particular. No direct consultation has taken place with the financial services industry or relevant professions at this point but this will take place via established bodies e.g. Joint Anti-Money Laundering A Group this summer should the draft Bill be approved.

Does the proposal comply with privacy law? Please provide a brief statement as to any issue of privacy or security of personal information. [Note F]

No issues identified

Has Treasury Concurrence been given for the preferred option [Note G] No

No expenditure of public money, increase to expenditure or reduction in Government income is anticipated as a result of these technical amendments to international AML/CFT legislation.

Date of Treasury Concurrence

Key Assumptions / Sensitivities / Risks [Note H]

These amendments relate to the international obligations of the IOM in respect of AML/CFT. Whilst these are technical matters they nevertheless reflect the ongoing challenge of addressing threats around terrorist financing, money laundering by serious organised crime and corruption. Failure to introduce such changes will have a negative impact upon the ability of the IOM to have extended to it relevant international conventions and a negative impact upon the forthcoming peer review – both of which provide a measure for other jurisdictions of the level of compliance in the Island – which enhances our international reputation and facilitates quality international business for the economy.

Section 7, Section 15 and Section 19 of the Bill introduces new sections into the Anti-terrorism and Crime Act 2003; the Proceeds of Crime Act 2008 and the Terrorism and other Crime (Financial Restrictions) Act 2014, conferring on the Council of Ministers the authority to make provision by order for requiring compliance with any such evolving standards or operational practices. This change seeks to ensure that the IOM can adhere in a timely manner to constantly developing international operational standards in the matter of anti-terrorist law enforcement. Council of Ministers' authority to make such an order is limited in scope to international obligation, standards and recommendations from the following recognised AML/CFT standard setting bodies – the FATF, the IMF and MONEYVAL. Moreover before such an order can be made it must be subject to a 'double-check' being first laid in draft at one Tynwald sitting, before it can be approved at a subsequent sitting.

Approximate date for legislation to be implemented if known [Note I]

March 2016.

SUMMARY: CONSULTATION [Note J]

Consultation in line with Government standard consultation process Yes/No

Date

1st Consultation

2nd Consultation

Summary of Responses:

EVIDENCE BASE

Use this space to set out any further evidence, analysis and detailed narrative from which you have generated your policy options or proposal.

[Notes can be found in Annex 1 of the Guidance on the use of Impact Assessments for Primary Legislation]