



CRIMINAL JUSTICE (MONEY LAUNDERING) CODE 2007

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CRIMINAL JUSTICE ACT 1990

CRIMINAL JUSTICE (MONEY LAUNDERING) CODE 2007

Laid before Tynwald: [to be laid before Tynwald October 2007]

Coming into operation: 1st September 2007

In exercise of the powers conferred on the Department of Home Affairs by section 17F of the Criminal Justice Act 1990¹, and all other enabling powers, the following Code is hereby made:-

Citation and commencement

1. This Code may be cited as the Criminal Justice (Money Laundering) Code 2007 and shall come into operation on 1st September 2007.

Interpretation and revocation

2. (1) In this Code -

“applicant for business” means a person seeking to form a business relationship or carry out a one-off transaction with a relevant person who is carrying on relevant business in or from the Island;

“banking business” has the meaning given in section 1 of the Banking Act 1998²;

“beneficial owner” means the individual who ultimately owns or controls the applicant for business or on whose behalf a transaction or activity is being conducted;

¹ 1990 c.1

² 1998 c.4

“business relationship” means an arrangement between two or more persons

where -

- (a) at least one of those persons is acting in the course of a business;
- (b) the purpose of the arrangement is to facilitate the carrying out of transactions between the persons concerned on a frequent, habitual or regular basis; and
- (c) the total amount of any payment or payments to be made by any person to any other in the course of that arrangement is not known or capable of being ascertained at the time the arrangement is made;

“constable” includes an officer under the Customs and Excise Management Act 1986³;

“country” includes territory;

“director” and “officer” of a body corporate include, in the case of a limited liability company constituted under the Limited Liability Companies Act 1996⁴, a member, manager or registered agent of such a company;

“exempted one-off transaction” means a one-off transaction (whether a single transaction or a series of linked transactions) where the amount of the transaction or, as the case may be, the aggregate in the case of a series of linked transactions, is less in value than -

- (a) euro 3,000 in the case of a transaction or series of linked transactions entered into in the course of business of a class specified in entries 9 and 11 in Schedule 1; or
- (b) euro 15,000 in any other case;

“external regulated business” means business outside the Island that corresponds to relevant business and which is regulated or supervised by an authority (whether a governmental or private body and whether in the Island or in a country outside the Island) which is empowered (whether by law or by the rules of the body) to regulate or supervise such business;

³ 1986 c.34

⁴ 1996 c.19

“FATF Recommendations” means the 40 Recommendations of the Financial Action Task Force on Money Laundering and the Task Force’s 9 Special Recommendations on Terrorist Financing;

“insurance business” has the same meaning as in the Insurance Act 1986⁵;

“investment business” has the same meaning as in the Investment Business Act 1991⁶;

“money laundering” includes any act in contravention of the money laundering requirements;

“the Money Laundering Directive” means Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;

“the money laundering requirements” means the requirements of the following enactments -

- (a) sections 45 to 49 of the Drug Trafficking Act 1996⁷;
- (b) sections 17A to 17D and 17K of the Criminal Justice Act 1990;
- (c) section 9 of the Prevention of Terrorism Act 1990⁸; and
- (d) sections 7 to 10 of the Anti-Terrorism and Crime Act 2003⁹,

and includes, in the case of anything done otherwise than in the Island, anything which would constitute an offence under the provisions specified in paragraphs (a) to (d) if done in the Island and references to “anti-money laundering requirements” shall be construed accordingly;

“one-off transaction” means any transaction other than a transaction carried out in the course of an established business relationship formed by a relevant person and, for the purposes of this definition, a business relationship is an established business relationship if it is formed by a relevant person where that person has obtained under procedures established, maintained and operated in accordance with this Code, satisfactory evidence of the identity of the person who, in relation to the

⁵ 1986 c. 24

⁶ 1991 c.18

⁷ 1996 c.3

⁸ 1990 c.19 (Although the Act is repealed, it is possible for proceedings to be taken in respect of acts undertaken when it was in force)

formation of that business relationship, was the applicant for business;

“regulated person” means -

- (a) any person carrying on a banking business within the meaning of the Banking Act 1998;
- (b) any person carrying on investment business within the meaning of the Investment Business Act 1991;
- (c) any person carrying on insurance business or acting as an insurance manager within the meaning of the Insurance Act 1986;
- (d) a building society within the meaning of section 7 of the Industrial and Building Societies Act 1892¹⁰ which is authorised under section 2 of the Building Societies Act 1986¹¹;
- (e) a United Kingdom building society to which section 2 of the Building Societies Act 1986 applies by virtue of section 4A of that Act and which is authorised under section 2 of that Act;
- (f) a fiduciary, within the meaning of section 1 of the Corporate Service Providers Act 2000¹², who is the holder of a licence under section 3 of that Act;
- (g) the trustee of a retirement benefits scheme that is authorised under section 3 of the Retirement Benefits Schemes Act 2000¹³;
or
- (h) a retirement benefits schemes administrator who is registered under section 36 of the Retirement Benefits Schemes Act 2000;

“relevant business” means engaging by way of business in one or more of the businesses, transactions or activities specified in Schedule 1;

“relevant person” means a person carrying on relevant business.

- (2) The Anti-Money Laundering Code 2007¹⁴ is revoked.

⁹ 2003 c.6

¹⁰ Vol. VI p.405

¹¹ 1986 c.7

¹² 2000 c.13

¹³ 2000 c.14

¹⁴ SD 554/07

Presumptions about evidence of identity

3. (1) In this Code, evidence of identity shall not be satisfactory unless reasonable measures have been taken by the relevant person to –
- (a) identify the applicant for business and verify their identity using reliable, independent source documents, data or information;
 - (b) identify the beneficial owner;
 - (c) obtain information on the purpose and intended nature of the business relationship; and
 - (d) conduct ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution’s knowledge of the customer, their business and risk profile, including where necessary, the source of funds.
- (2) But –
- (a) sub-paragraph (1)(a) is subject to paragraphs 5(4), 7(4) and 8(4); and
 - (b) sub-paragraph (1)(c) is without prejudice to paragraph 6.

General requirements

4. (1) In conducting relevant business a relevant person shall not form a business relationship or carry out a one-off transaction with or for another person nor continue a business relationship unless the relevant person -
- (a) establishes, maintains and operates -
 - (i) identification procedures in accordance with paragraphs 5 to 8;
 - (ii) record keeping procedures in accordance with paragraphs 9 to 13;
 - (iii) internal reporting procedures in accordance with paragraph 14;
 - (iv) internal staff screening procedures in accordance with paragraph 15; and
 - (v) internal controls and communication procedures which are appropriate for the purposes of forestalling and preventing money laundering;
 - (b) takes appropriate measures from time to time for the purpose of making employees aware of -

- (i) the procedures established, maintained and operated under head (a); and
- (ii) the provisions of the money laundering requirements; and
- (c) provides education and training in accordance with paragraph 16.

(2) Any person who contravenes sub-paragraph (1) shall be guilty of an offence and liable –

- (a) on summary conviction to custody for a term not exceeding 6 months or to a fine not exceeding £5,000, or to both; and
- (b) on conviction on information to custody not exceeding 2 years or to a fine, or to both.

(3) In determining whether a person has complied with any of the requirements of sub-paragraph (1), a court may take account of -

- (a) any relevant supervisory or regulatory guidance which applies to that person and which is given by the Financial Supervision Commission or the Insurance and Pensions Authority; or
- (b) in a case where no guidance falling within head (a) applies, any other relevant guidance issued by a body that regulates, or is representative of, any trade, business, profession or employment carried on by that person.

(4) In proceedings against a person for an offence under this paragraph, it shall be a defence for that person to show that he took all reasonable steps and exercised all due diligence to avoid committing the offence.

(5) Sub-paragraph (6) applies where an offence under this paragraph is committed by a body corporate and it is proved that the offence –

- (a) was committed with the consent or connivance of, or
- (b) was attributable to neglect on the part of,

an officer of the body.

(6) The officer, as well as the body, shall be guilty of the offence.

(7) Sub-paragraph (8) applies where an offence under this paragraph is committed by a partnership, or by an association other than a partnership or body corporate, and it is proved that the offence –

- (a) was committed with the consent or connivance of; or

(b) was attributable to neglect on the part of;
a partner in the partnership or (as the case may be) a person concerned in the management or control of the association.

(8) The partner or (as the case may be) the person concerned, as well as the partnership or association, shall be guilty of the offence.

(9) Where a person is convicted of an offence under this paragraph by virtue of sub-paragraph (6) or (8), that person shall be liable –

(a) on summary conviction to custody for a term not exceeding 6 months or to a fine not exceeding £5,000, or to both; and

(b) on conviction on indictment to custody not exceeding 2 years or to a fine, or to both.

(10) In this paragraph “officer” includes –

(a) a director, manager or secretary;

(b) a person purporting to act as a director, manager or secretary;

(c) a member, if the affairs of the body are managed by its members.

IDENTIFICATION PROCEDURES

New business relationships

5. (1) A relevant person shall establish, maintain and operate the procedures specified in sub-paragraph (3).

(2) Those procedures shall be undertaken –

(a) before a business relationship is entered into; or

(b) during the formation of that relationship,

but in any event as soon as reasonably practicable (taking into account the need not to interrupt the normal conduct of business where there is little risk of money laundering or terrorist financing occurring) after contact is first made between the relevant person and the applicant for business concerning any particular business relationship.

(3) The procedures referred to in sub-paragraph (1) are –

(a) the production by the applicant for business of satisfactory evidence of his identity; or

(b) the taking of such other measures as will produce satisfactory evidence of his identity.

- (4) Sub-paragraph (1) shall not require evidence of identity to be produced if –
 - (a) the identity of the applicant for business is known to the relevant person;
 - (b) the relevant person knows the nature and intended purpose of the relationship; and
 - (c) the relevant person has satisfied itself that the applicant for business is a person listed in sub-paragraph (5).
- (5) The persons referred to in sub-paragraph (4)(c) are –
 - (a) a regulated person;
 - (b) an advocate, a registered legal practitioner within the meaning of the Legal Practitioners Registration Act 1986¹⁵ or an accountant, where the relevant person is satisfied that the rules of the professional body of the applicant for business embody requirements and procedures that are at least equivalent to this Code; or
 - (c) a person who acts in the course of external regulated business and is based or incorporated in or formed under the law of a country that is included in the list in Schedule 2.

(6) Sub-paragraph (4) shall not have effect in respect of a person mentioned in sub-paragraph (5)(c) if the relevant person has reason to believe that the country in question does not apply, or insufficiently applies, the FATF Recommendations in respect of the business of that person.

- (7) Sub-paragraph (4) shall not have effect if any one of the following occurs –
 - (a) the relevant person knows or suspects that the transaction is or may be related to money laundering;
 - (b) a suspicious pattern of behaviour that causes the relevant person to know or suspect that the behaviour is or may be related to money laundering;
 - (c) the relevant person becomes aware of anything which causes the relevant person to doubt the identity of the applicant for business or beneficial owner;

¹⁵ 1986 c.15

- (d) the relevant person becomes aware of anything which causes the relevant person to doubt the *bona fides* of the applicant for business or beneficial owner.

(8) Except as provided in sub-paragraph (4), procedures comply with sub-paragraph (1) if they require that when satisfactory evidence of identity is not obtained or produced, the business relationship and transactions shall not proceed any further.

Continuing business relationships

6. (1) A relevant person shall establish, maintain and operate the procedures specified in sub-paragraph (3).

(2) Those procedures shall be undertaken during a business relationship as soon as reasonably practicable after any one of the following occurs –

- (a) a transaction that the relevant person suspects may be related to money laundering; or
 - (b) a suspicious pattern of behaviour that causes the relevant person to know or suspect that the behaviour is or may be related to money laundering; or
 - (c) transactions or patterns of transactions that are complex or unusually large and which have no apparent economic or visible lawful purpose; or
 - (d) unusual patterns of transactions which have no apparent economic or visible lawful purpose; or
 - (e) the relevant person becomes aware of anything which causes the relevant person to doubt the identity of the person who, in relation to the formation of the business relationship, was the applicant for business; or
 - (f) the relevant person becomes aware of anything which causes the relevant person to doubt the veracity or adequacy of evidence of identity produced under paragraph 5(3) or 8(3).
- (3) The procedures referred to in sub-paragraph (1) are –
- (a) an examination of the background and purpose of the transactions or circumstances;

- (b) if no evidence of identity was produced after the business relationship was established, the taking of such steps as will require the production by the person who, in relation to the formation of the business relationship, was the applicant for business of satisfactory evidence of his identity or the taking of such measures as will produce satisfactory evidence of his identity;
 - (c) if evidence of identity was produced under paragraph 5(3) or 8(3), the taking of such steps as will determine whether the evidence of identity produced under that paragraph is satisfactory; or
 - (d) if evidence of identity produced under paragraph 5(3) or 8(3) is not for any reason satisfactory, the taking of such steps as will require the production by the other party of satisfactory evidence of his identity or the taking of such measures as will produce satisfactory evidence of his identity.
- (4) The relevant person –
- (a) shall keep written records of any examination, steps, measures or determination made or taken or under sub-paragraph (3) (which records shall be records to which paragraph 11 applies); and
 - (b) shall, on request, make such findings available to the competent authorities and auditors (if any).
- (5) Procedures comply with this paragraph if they require that when satisfactory evidence of identity is not obtained or produced, the business relationship and transactions shall not proceed any further.

One-off transactions

7. (1) A relevant person shall establish, maintain and operate the procedures specified in sub-paragraph (3).

(2) Those procedures shall be undertaken as soon as reasonably practicable (taking into account the need not to interrupt the normal conduct of business where there is little risk of money laundering or terrorist financing occurring) after contact is first made between the relevant person and the applicant for business concerning any one-off transaction.

- (3) The procedures referred to in sub-paragraph (1) are –
- (a) the production by the applicant for business of satisfactory evidence of his identity; or
 - (b) the taking of such other measures as will produce satisfactory evidence of his identity.

(4) Sub-paragraph (1) shall not require evidence of identity to be produced if the identity of the applicant for business is known to the relevant person, the relevant person knows the nature and intended purpose of the relationship and the relevant person has satisfied itself that -

- (a) the applicant for business is –
 - (i) a regulated person;
 - (ii) an advocate, a registered legal practitioner within the meaning of the Legal Practitioners Registration Act 1986¹⁶ or an accountant, where the relevant person is satisfied that the rules of the professional body of the applicant for business embody requirements and procedures that are at least equivalent to this Code; or
 - (iii) a person who acts in the course of external regulated business and is based or incorporated in or formed under the law of a country that is included in the list in Schedule 2; or
- (b) the transaction is an exempted one-off transaction.

(5) Sub-paragraph (4) shall not have effect in respect of a person who acts in the course of external regulated business and is based or incorporated in or formed under the law of a country that is included in the list in Schedule 2 if the relevant person has reason to believe that the country in question does not apply, or insufficiently applies, the FATF Recommendations in respect of the business of that person.

- (6) Sub-paragraph (4) shall not have effect if any one of the following occurs –
- (a) the relevant person knows or suspects that the transaction may be, related to money laundering;
 - (b) a suspicious pattern of behaviour that causes the relevant person to know or suspect that the behaviour is or may be related to money laundering;

¹⁶ 1986 c.15

- (c) the relevant person becomes aware of anything which causes the relevant person to doubt the identity of the applicant for business or beneficial owner;
- (d) the relevant person becomes aware of anything which causes the relevant person to doubt the *bona fides* of the applicant for business or beneficial owner.

(7) Except as provided in sub-paragraph (4), procedures comply with sub-paragraph (1) if they require that when satisfactory evidence of identity is not obtained or produced, the business relationship and transaction shall not proceed any further.

Introduced business

8. (1) Where an applicant for business is introduced to a relevant person by a third party (in this paragraph referred to as “the introducer”), the relevant person shall establish, maintain and operate the procedures specified in sub-paragraph (3).

- (2) Those procedures shall be undertaken –
 - (a) before a business relationship is entered into; or
 - (b) during the formation of that relationship,

but in any event as soon as reasonably practicable (taking into account the need not to interrupt the normal conduct of business where there is little risk of money laundering or terrorist financing occurring) after contact is first made between the relevant person and the introducer concerning the particular business relationship.

- (3) The procedures referred to in sub-paragraph (1) are –
 - (a) the production by the introducer of satisfactory evidence of the identity of the applicant for business; or
 - (b) the taking of such other measures as will produce satisfactory evidence of their identity.
- (4) Sub-paragraph (1) shall not require evidence of identity to be produced if –
 - (a) the identity of the applicant for business and the beneficial owner is known to the relevant person;
 - (b) the relevant person knows the nature and intended purpose of the relationship; and

- (c) the relevant person has satisfied itself that –
 - (i) the introducer is –
 - (A) a regulated person; or
 - (B) an advocate, a registered legal practitioner within the meaning of the Legal Practitioners Registration Act 1986¹⁷ or an accountant, where the relevant person is satisfied that the rules of the professional body of the applicant for business embody requirements and procedures that are at least equivalent to this Code;
 - (ii) the relevant person and the applicant for business are bodies corporate in the same group; or
 - (iii) the transaction is an exempted one off transaction; or
 - (iv) the introducer acts in the course of an external regulated business and is based or incorporated in or formed under the law of a country that is included in the list in Schedule 2.

(5) Sub-paragraph (4)(c)(iv) shall not have effect in any case where the relevant person has reason to believe that the country in question does not apply, or insufficiently applies, the FATF Recommendations in respect of the business of the introducer.

(6) The relevant person shall not enter into a business relationship with a person that is introduced by an introducer unless written terms of business are in place between the relevant person and the introducer, and those terms of business, notwithstanding sub-paragraph (2) and (3), in all cases require the introducer to -

- (a) verify the identity of all applicants for business introduced to the relevant person sufficiently to comply with the money laundering requirements;
- (b) verify the identity of the beneficial owner;
- (c) establish and maintain a record of the evidence of identity for at least 5 years calculated in accordance with paragraph 11(1);
- (d) establish and maintain records of all transactions between –
 - (i) the introducer and the applicant for business;
 - (ii) the relevant person and the introducer; and

¹⁷ 1986 c.15

(iii) the relevant person and the applicant for business if the introducer has received copies of records relating to those transactions,

if the records are concerned with or arise out of the introduction (whether directly or indirectly) for at least 5 years calculated in accordance with paragraph 11(1);

- (e) supply to the relevant person forthwith upon request the evidence verifying the identity of the applicant for business and the beneficial owner in any particular case;
- (f) inform the relevant person specifically of each case where the introducer is not required or has been unable to verify the identity of the applicant for business or the beneficial owner; and
- (g) do all such things as may be required by the relevant person to enable the relevant person to comply with its obligation under sub-paragraph (8).

(7) It is the responsibility of the relevant person to ensure that the procedures under sub-paragraph (3) are fit for the purpose of ensuring that the evidence produced or to be produced is satisfactory and that the procedures of the introducer are likewise fit for that purpose.

(8) A relevant person shall take steps to satisfy itself that the procedures for implementing this paragraph are effective by testing them on a random and periodic basis and the written terms of business shall confer the necessary rights on the relevant person.

(9) Sub-paragraph (4) shall not have effect if any one of the following occurs –

- (a) the relevant person knows or suspects that the transaction is or may be related to money laundering;
- (b) a suspicious pattern of behaviour that causes the relevant person to know or suspect that the behaviour is or may be related to money laundering;
- (c) the relevant person becomes aware of anything which causes the relevant person to doubt the identity of the applicant for business or the introducer or beneficial owner;

(d) the relevant person becomes aware of anything which causes the relevant person to doubt the *bona fides* of the applicant for business or the introducer or beneficial owner.

(10) Except as provided in sub-paragraph (4), procedures comply with this paragraph if they require that when satisfactory evidence of identity is not obtained or produced, the business relationship and transactions shall not proceed any further.

(11) In sub-paragraph (4)(c)(ii), “group”, in relation to a body corporate, means that body corporate, any other body corporate which is its holding company or subsidiary and any other body corporate which is a subsidiary of that holding company, and “subsidiary” and “holding company” shall be construed in accordance with section 1 of the Companies Act 1974¹⁸.

RECORD KEEPING

Verification of identity

9. Where a relevant person is required under this Code to verify the identity of a person, the relevant person shall establish and maintain a record which -

- (a) indicates the nature of the evidence obtained; and
- (b) comprises either a copy of the evidence or, where this is not reasonably practicable, contains such information as would enable a copy of the evidence to be obtained.

Records of transactions

10. A relevant person shall establish and maintain a record of all transactions carried out in the course of relevant business (for example, records sufficient to identify the source and recipient of payments from which investigating authorities will be able to compile an audit trail for suspected money laundering) and such other records as are sufficient to demonstrate that the money laundering requirements and this Code have been complied with.

¹⁸ 1974 c.30

Retention of records

11. (1) A relevant person shall keep the records required by this Code for at least 5 years from -

- (a) in the case of records required by paragraph 10, the date of the completion of the transaction;
- (b) in other cases, from the date when –
 - (i) all activities relating to a one-off transaction or a series of linked transactions were completed; or
 - (ii) in respect of other activities –
 - (A) the business relationship was formally ended; or
 - (B) if the business relationship was not formally ended, when all activities relating to the transaction were completed.

(2) Where a report has been made to a constable in pursuance of paragraph 14(2)(f), or the person knows or believes that a matter is under investigation, that person shall, without prejudice to sub-paragraph (1), retain all relevant records for as long as required by the constable.

Format and retrieval of records

12. (1) A relevant person shall ensure that any records required to be established and maintained under this Code –

- (a) if the records are in the form of hard copies kept in the Island, ensure that they are capable of retrieval without undue delay;
- (b) if the records are in the form of hard copies kept outside the Island, ensure that the copies can be sent to the Island and made available within 21 working days; and
- (c) in the case of other records (e.g. copies kept on a computer system), ensure that they are readily accessible in or from the Island and that they are capable of retrieval without undue delay.

(2) A relevant person may rely on the records of a third party in respect of the details of payments and transactions by customers, provided that it is satisfied that the third party is willing and able to retain and, if asked, to produce copies of the records required.

Register of money laundering enquiries

13. (1) A relevant person shall establish and maintain a register of all enquiries made of it by law enforcement or other authorities acting under powers provided by the money laundering requirements.

(2) The register established and maintained under sub-paragraph (1) shall be kept separate from other records and shall contain as a minimum the date and nature of the enquiry, the name and agency of the inquiring officer, the powers being exercised, and details of the accounts or transactions involved.

Recognition and reporting of suspicious transactions

14. (1) A relevant person shall appoint a Money Laundering Reporting Officer (in this paragraph referred to as the “MLRO”) to exercise the functions conferred on him by the paragraph and the MLRO –

- (a) must be –
 - (i) sufficiently senior in the organisation of the relevant person; or
 - (ii) if not within that organisation, have sufficient experience and authority; and
- (b) must have a right of direct access to the directors, the managing board or the partners (as the case may be) of the relevant person,

to be effective in the exercise of his or her functions.

(2) A relevant person shall establish, maintain and operate written internal reporting procedures which, in relation to its relevant business, will -

- (a) enable all its directors or, as the case may be, partners, all other persons involved in its management, and all appropriate employees to know to whom they should report any knowledge or suspicions of money laundering activity;
- (b) ensure that there is a clear reporting chain under which those suspicions will be passed to the MLRO;
- (c) require reports to be made to the MLRO of any information or other matter which comes to the attention of the person handling that business and which in that person’s opinion gives rise to a knowledge or suspicion that another person is engaged in money laundering;

- (d) require the MLRO to consider any report in the light of all other relevant information available to him for the purpose of determining whether or not it gives rise to a knowledge or suspicion of money laundering;
- (e) ensure that the MLRO has reasonable access to any other information which may be of assistance to him and which is available to the relevant person; and
- (f) enable the information or other matter contained in a report to be disclosed promptly to a constable who is for the time being serving with the organisation known as the Financial Crime Unit where the MLRO knows or suspects that another is engaged in money laundering.

(3) A relevant person shall establish and maintain a register of all reports made to a constable in pursuance of sub-paragraph (2)(f).

(4) The register established and maintained under sub-paragraph (3) shall contain details of the date on which the report is made, the person who makes the report, the constable to whom it is made and information sufficient to identify the relevant papers.

STAFF, EDUCATION AND TRAINING

Staff, etc. screening

15. A relevant person shall establish, maintain and operate appropriate procedures to enable the relevant person to satisfy itself of the integrity of new directors or partners (as the case may be) of the relevant person and of all new appropriate employees.

Staff training: money laundering requirements

16. A relevant person shall provide or cause to be provided education and training including refresher training (not less than annually) for all directors or, as the case may be, partners, all other persons involved in its management, all key staff and appropriate employees to ensure that they are aware of -

- (a) the provisions of the money laundering requirements;
- (b) their personal obligations under the money laundering requirements;
- (c) the internal reporting procedures established under paragraph 14;

- (d) the relevant person's policies and procedures to prevent money laundering;
- (e) the relevant person's customer identification, record-keeping and other procedures;
- (f) the recognition and handling of suspicious transactions;
- (g) their personal liability for failure to report information or suspicions in accordance with internal procedures; and
- (h) new developments, including information on current techniques, methods and trends in money laundering and the financing of terrorism.

SCHEDULES

Paragraph 2

SCHEDULE 1

RELEVANT BUSINESS

1. Business carried on by a building society within the meaning of section 7 of the Industrial and Building Societies Act 1892.
2. Business carried on by a society (other than a building society or credit union) registered under the Industrial and Building Societies Act 1892.
3. Any activity carried on for the purpose of raising money authorised to be borrowed under the Isle of Man Loans Act 1974¹⁹.
4. The business of an estate agent within the meaning of the Estate Agents Act 1975²⁰.
5. The provision by way of business of audit services in respect of a body corporate.
6. (1) Any activity specified in paragraph (2) that is undertaken by –
 - (a) an advocate;
 - (b) a registered legal practitioner within the meaning of the Legal Practitioners Registration Act 1986;
 - (c) a Notary;
 - (d) an accountant or a person who, in the course of business, provides accountancy services.(2) The activities referred to in paragraph (1) are –
 - (a) holding or managing any assets belonging to a client;
 - (b) the provision of legal services which involves participation in a transaction (whether by assisting in the planning or execution of any such transaction or otherwise) by acting for, or on behalf of, a client in respect of –
 - (i) the sale or purchase of land;
 - (ii) managing bank, savings or security accounts;
 - (iii) organising contributions for the promotion, formation, operation or management of bodies corporate.

¹⁹ 1974 c.6

²⁰ 1975 c.6

7. Insurance business within the meaning of the Insurance Act 1986.
8. The business of acting as an insurance manager for or in relation to an insurer within the meaning of the Insurance Act 1986.
9. Any activity permitted to be carried on by a licence holder under a casino licence granted under the Casino Act 1986²¹.
10. A collective investment scheme within the meaning of section 30 of the Financial Supervision Act 1988²².
11. The business of a bookmaker within the meaning of the Gaming, Betting and Lotteries Act 1988²³ but excluding activities to which the Anti-Money Laundering (Online Gambling and Peer to Peer Gambling) Code 2006²⁴ applies.
12. Investment business within the meaning of the Investment Business Act 1991.
13. Business carried by a society registered as a credit union within the meaning of the Credit Unions Act 1993²⁵.
14. The business of insurance intermediary as described in section 1 of the Insurance Intermediaries (General Business) Act 1996²⁶.
15. Banking business within the meaning of the Banking Act 1998.
16. The business of engaging in any regulated activity within the meaning of the Fiduciary Services Acts 2000 and 2005.
17. Acting as a retirement benefits schemes administrator within the meaning of Part 6 of the Retirement Benefits Schemes Act 2000.
18. Acting as the trustee of a retirement benefits scheme within the meaning of the Retirement Benefits Schemes Act 2000.
19. Any activity carried on for the purpose of raising money by a local authority.
20. The business of a *bureau de change*.
21. The business of the Post Office in respect of any activity undertaken on behalf of the National Savings Bank.
22. Any activity involving money (including any representation of monetary value) transmission services or cheque encashment facilities.

²¹ 1986 c.16

²² 1988 c.16

²³ 1988 c.17

²⁴ SD 782/06

²⁵ 1993 c.19

²⁶ 1996 c.4

23. The provision of safe custody facilities for cash or liquid securities on behalf of other persons.
24. The business of dealing in goods of any description (including dealing as an auctioneer) whenever a transaction involves accepting a total cash payment of euro 15,000 or more.
25. Lending including, but not limited to, consumer credit, mortgage credit factoring and the finance of commercial transactions.
26. Financial leasing arrangements in respect of products other than consumer products.
27. Any business involving the issuing and managing of means of payment (including but not limited to credit and debit cards, cheques, traveller's cheques, money orders, bankers' drafts and electronic money).
28. The business of providing financial guarantees and commitments.
29. Administering or managing money on behalf of other persons.

Paragraphs 25 to 29 are additional to paragraphs 1 to 24.

LIST OF COUNTRIES

Argentina	Italy
Australia	Japan
Austria	Jersey
Belgium	Luxembourg
Bermuda	Malta
Brazil	Mauritius
Canada	Netherlands
Cayman Islands	New Zealand
Denmark	Norway
Finland	Portugal
France	Singapore
Germany	South Africa
Gibraltar	Spain
Greece	Sweden
Guernsey	Switzerland
Hong Kong	United Kingdom
Iceland	United States of America
Ireland	

Made *24th August* 2007

G. Martyn Quayle MHK

Minister for Home Affairs

Explanatory Note

(This note is not part of the Code)

The Criminal Justice (Money Laundering) Code 2007 is made under section 17F of the Criminal Justice Act 1990 and revokes and replaces the Anti-Money Laundering Code 2007 (SD 554/07). The Code contains anti-money laundering provisions in line with the Financial Action Task Force's Recommendations on money laundering and terrorist financing and accompanying methodology.