



**Isle of Man
Government**

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ISLE OF MAN GOVERNMENT

Anti Money Laundering and Combating the Financing of Terrorism

National Strategy 2016 - 2018

Cabinet Office

Oik Coonceil ny Shirveishee



AML/CFT Strategy — Outline of contents

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Foreword by the Chief Minister

The Isle of Man has a longstanding commitment to meeting international standards to combat money laundering and the financing of terrorism and proliferation. This commitment is demonstrated daily through the work of officers in Government and regulators and through the excellent working relationship with industry which was demonstrated during the development of the 2014/15 national risk assessment of money laundering and terrorist financing.

The national risk assessment was the first time that a multi-agency group comprising law enforcement, regulators and Government had come together specifically to consider the national risks relating to money laundering and financing of terrorism and to assess the effectiveness of the Isle of Man at combatting them.

The national risk assessment benefitted from significant input by members of the private sector who were able to advise upon their industries and the ways in which different products and services might be abused.

The goals identified in this Strategy arise out of the work that was undertaken for that national risk assessment. Progress has already been made on a number of the goals identified in this Strategy, but significant work is still required.

The corrupt, the criminal and the terrorist are continuously looking for opportunities to create ways to exploit the international financial sector and the Isle of Man will actively respond to these evolving challenges.



Hon. Allan Bell MHK
Chief Minister

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Introduction

The Isle of Man Government published a formal commitment in 2012¹ to adopting the revised Financial Action Task Force (FATF) 40 Recommendations concerning *International Standards on Combating Money Laundering and the Financing of Terrorism² and Proliferation³*.

In 2008 the Island was assessed by the International Monetary Fund (IMF) against the earlier FATF Recommendations and was found to be largely compliant with them. Over the past seven years the Government and regulators have continued to review and address risks identified by the IMF review and, more recently, the 2013 MONEYVAL review. This review assessed the progress of the Isle of Man against the FATF Core Recommendations⁴.

MONEYVAL is the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. It is a FATF-style regional body which allows members to undertake mutual evaluations of each other's anti-money laundering and combating the financing of terrorism regimes against the FATF standards. The results are published in the form of Mutual Evaluation reports (MERs). The Isle of Man joined MONEYVAL mutual evaluation process in 2012 and will undergo a full evaluation in 2016 against all 40 revised Recommendations. The evaluation will also, for the first time, consider evidence for the effectiveness of the Isle of Man's

measures to combat money laundering and terrorist financing as well as the technical framework that is in place.

The revised FATF recommendations include a new 'Recommendation 1'. This Recommendation requires that countries undertake an assessment of the money laundering and terrorist financing risks for the country and take action and apply resources to mitigate those risks. The Isle of Man undertook its first national risk assessment of money laundering and terrorist financing in 2014/2015. The assessment followed a methodology which was established by the World Bank. It was undertaken by the Island in conjunction with advisors from the World Bank. This national strategy arises predominantly out of that work.

The national risk assessment identified actions that were required to deliver a more effective approach to anti-money laundering and combating the financing of terrorism. These actions have been grouped together under each of the goals in this Strategy⁵. Where additional actions have been identified following the NRA these have also been included.

¹ <https://www.gov.im/media/1082460/amlcommitment.pdf>

² For the purposes of this document, wherever the financing of terrorism is referenced, it should be noted that by inference the term "terrorism" automatically includes the proliferation of weapons

³ The FATF is an independent inter-governmental body established by Ministers of its member jurisdictions. It develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction.

⁴ See under 'Glossary of Terms and Acronyms'.

⁵ There are national risk assessment action plans at national and sector level which are overseen by the Cabinet Office or the relevant regulatory authority (including supervisory authorities). This Strategy groups the actions from the national plan (and some sector actions) into thematic goals to ensure that identified issues are not addressed in isolation.

The National Strategy identifies areas where the Isle of Man Government will revise or enhance existing activities, review where new policies or guidance may be appropriate, and work with regulators and law enforcement to improve transparency. The Strategy highlights the need to improve and exploit available data to better inform Government about the potential level of money laundering and terrorist financing threats facing the Isle of Man to allow resources to be targeted more effectively.

The national risk assessment further examined the risks such threats pose to each local industry sector both internationally, and where relevant domestically. The national risk assessment also considered how effective the Isle of Man's legal framework, policy makers, law enforcement agencies and regulatory supervisors are in preventing and detecting money laundering and terrorist financing. This included reviewing the Island's effectiveness and achievements in seeking out those who use the Island's financial systems for criminal purposes, prosecuting them and depriving them of the proceeds of their crimes.

Key findings from the national risk assessment include

- As a centre for global financial services **co-operation with other jurisdictions** to address money laundering and terrorist financing and to confiscate and return the proceeds of crime must continue to be a primary objective. This includes a proactive

approach to identifying, analysing and where required investigating the involvement of businesses and individuals trading from the Isle of Man in such cases and the spontaneous disclosure of intelligence to other jurisdictions⁶. Appropriate resources should be allocated to these tasks and results monitored for effectiveness.

Domestic collaboration including the sharing of data is key and will also facilitate the development of typologies for the Island and contributing towards typologies developed by international bodies such as the FATF, so that industry is better informed of the threats. **Policy making processes need to be refined and industry consulted appropriately.**

- The **role of the Financial Intelligence Unit (FIU)** as the national centre for the receipt and analysis of Suspicious Activity Reports (SARs)⁷ and other information relevant to money laundering and terrorist financing is fundamental. An effective FIU enables the investigation, prosecution and conviction of those who commit financial crime and ultimately enables the recovery of criminal assets. The relationship between the FIU and industry particularly in relation to the provision of good quality SARs for analysis, is vital, together with the detailed analysis of that data by the FIU. Together with industry the law enforcement authorities and Government can effectively tackle financial criminality. The FIU must be equipped with the appropriate resources, people, skills and technology to undertake complex work.

⁶ Disclosure of intelligence which does not take place in response to a request

⁷ SARs and STRs (Suspicious Transaction Reports) are the means by which the industry alerts the FIU to unusual or suspicious activity

- **Investigation** of complex multi-jurisdictional financial crime should be prioritised in a manner which reflects its importance to the reputation and economy of the Isle of Man. Investigators should have appropriate expertise and be properly resourced. Specialist **anti-money laundering and combating the financing of terrorism training and ongoing professional development** for financial investigators, regulators, prosecutors and the judiciary will ensure that there is a robust pool of expertise appropriate to the Island's international economy and the attendant risks.
- Nationally there is a mature **legal framework**; the Isle of Man is a signatory to relevant international conventions on anti-money laundering and combating the financing of terrorism. The NRA identified that the current framework appeared to be appropriate to the requirements of the Isle of Man. The Government is committed to a continuous programme of monitoring and, where needed, to bringing forward amendments to ensure that this continues to be the case.
- Although some supervisors have a wide range of powers to direct and, where required, to sanction industry, this is not the case for all supervisors. In order to help ensure that **regulatory sanctions** improve compliance and deter non-compliance, a full suite of powers should be available, used and seen to be used by regulators and information and data on actions taken made available publically. Providing more detailed guidance for industry on regulatory sanctions should aid understanding, co-operation and compliance.
- Whilst there is no current indication that **terrorist financing** takes place domestically, the use of the Isle of Man's sophisticated financial services sectors by a terrorist group or a terrorist financier elsewhere than in the Isle of Man remains a threat. There is evidence internationally of the ways in which the financing of terrorism is evolving. The competent authorities in the Isle of Man, notably the FIU with its contacts through The Egmont Group⁸, ensure that information and advice is disseminated to relevant groups and individuals so these persons can take them into account when reviewing and revising legislation and guidance and undertaking supervisory visits.
- **Tax evasion** as a predicate offence still features significantly in international requests for mutual legal assistance. The Isle of Man is at the forefront of both exchange of information on request and automatic exchange of information for direct tax purposes. Increased due diligence and exchange of information is likely to reduce the attractiveness of Isle of Man businesses for those involved in tax evasion. Closure of legal tax avoidance and planning opportunities for middle earners has led to an increased focus on wealthy clients and a more international client base of a higher standard which is more likely to reduce the risks of receiving the proceeds of foreign corruption or organised crime.

⁸ The Egmont Group is an international group comprising of over 150 FIUs which works to promote international co-operation in anti-money laundering and countering the financing of terrorism.

- Where trust and corporate service providers (TCSPs) supply services, including the establishment of corporate vehicles, for use in international trade there is a risk that those vehicles could be used to carry out **trade-based money laundering**. Customs and Excise has undertaken an awareness-raising programme and provided guidance on “trade control” licensing requirements where TCSPs are involved in movement or brokering activities around goods and the movement of goods.

- Provisions available in the Isle of Man for obtaining **beneficial ownership** information were assessed as satisfactory by the NRA. The regulatory system operated by the Isle of Man since 2000 makes beneficial ownership information available (subject to statutory gateways), on request to, inter alia, law enforcement authorities on all occasions. Nevertheless recent developments have been taken into account. The technological advances used for illicit monies to be dispersed continue to accelerate and recent terrorist attacks have highlighted the critical importance of providing timely information to law enforcement authorities. The FATF has now strengthened requirements to prevent terrorist financing and the European Commission has an Action Plan to strengthen the fight against terrorist financing. Furthermore the EU 4th Anti-Money Laundering Directive sets out a number of requirements in respect of beneficial ownership, including a central register. With a broader international consensus emerging the Isle of Man has been examining ways in which more timely and relevant information on beneficial ownership might be provided whilst keeping existing safeguards in place.

Consequently there is an action in the Strategy to establish a central register for beneficial ownership which will be available to law enforcement and other competent authorities. This information will be available through existing channels.

Financial and Designated Non-Financial Businesses and Professions in the Isle of Man

Schedule 4 of the Proceeds of Crime Act 2008 (POCA) lists the business sectors identified as “business in the regulated sector” in the Isle of Man, and therefore subject to anti-money laundering and combating the financing of terrorism legislation. Schedule 4 includes a range of businesses which covers both financial and non-financial sectors.

The activities of businesses in the financial sector are licensable under the Financial Services Act 2008, and the Insurance Act 2008 and/or the Retirement Benefit Schemes Act 2000; they are therefore subject to supervision for both anti-money laundering and combating the financing of terrorism and for prudential purposes by the Isle of Man Financial Services Authority (IOMFSA).

This sector includes banks, investment business and funds and insurance and pensions. It also includes trust and corporate service providers⁹, money service business providers and professional officers. Further information on these businesses is covered later.

⁹ Although the FATF categorises trust and corporate services as a non-financial sector the Isle of Man treats this as a financial business.

For the non-financial sector, there had previously been some anti-money laundering and combating the financing of terrorism oversight in relation to certain non-financial businesses included in Schedule 4 of POCA. This was mainly undertaken by the relevant professional body. This oversight did not however extend to all types of non-financial business; therefore in October 2015 the Designated Business (Registration and Oversight) Act 2015 was brought into force.

This legislation now provides the IOMFSA with powers to conduct compliance oversight visits for anti-money laundering and combating the financing of terrorism purposes in respect of the designated non-financial businesses and professions sector¹⁰. This includes accountants, advocates, money lenders etc. The legislation also permits these powers to be delegated. A full list of the businesses and professions subject to this oversight is included in Schedule 1 to the Designated Business (Registration and Oversight) Act 2015.

Gambling businesses, such as online gambling and casinos, are subject to licensing and supervision by the Gambling Supervision Commission.

- **Banks** continue to provide a main gateway into the financial system in the Isle of Man. The majority of the Island's banks are part of wider international groups established in jurisdictions which are considered to have equivalent anti-money

laundering regimes. The Island's banks provide a wide range of products and services and, as well as dealing with domestic customers, also deal with international personal customers, corporate and business clients and persons holding funds on behalf of others (e.g. wealth management). There are increased challenges when dealing with non-resident High Net Worth clients, managed corporate / trust clients and the use of the banking sector by large non-Isle of Man corporates.

- **Insurance and pensions** is a major sector in the Isle of Man and overall is continuing to grow. It is a well-established and mature part of the Island's industry with significant assets under management. The sector is highly international in nature with a large proportion of the business conducted on a non-face-to face basis and with the business relationship in many cases established through introducers in international jurisdictions. The use of legal persons and arrangements such as trusts is commonplace.

- **Investment business and funds** (securities) forms a small part of the Isle of Man financial services sector overall. With the exception of Isle of Man Independent Financial Advisors, the customer base is substantially non-resident clients with foreign business or personal interests and therefore, for the majority of institutions in the sector, presents a higher risk of money laundering.

¹⁰ Note that the registration and oversight regime introduced by the the Designated Business (Registration and Oversight) Act 2015 also extends to the businesses of lending, financial leasing and providing financial guarantees and commitments which although defined as "financial institutions" by the FATF are not subject to licensing and oversight by the Financial Services Act 2008.

Non-retail funds and investment business represent the most significant elements of the securities sector; overseas funds represent the element of the sector that has seen a significant positive growth in the relevant period. The majority of the investor base is UK resident.

- **Online gambling** has a significant presence in the Isle of Man with licenced operators offering online and mobile device gambling to a worldwide player base. The majority of the companies are privately owned and some of the ownership structures are complex. Credible typology reports for online gambling are still relatively rare, however there are intrinsic risks as the industry is non-face-to-face, cross-border and incorporates a type of agency in the form of affiliates who recruit players. There are a number of factors which mitigate the risk of players laundering money; however criminal ownership of a licence remains the most significant threat.

- **Trust and Corporate Service Providers** are a significant sector in the Island. Most business is international in nature with around 40% estimated to come from outside the UK and EU. TCSPs are important as gatekeepers to the financial system; trustees and directors have control of assets, investments and bank accounts. There are a number of well-recognised inherent vulnerabilities associated with TCSPs and existing and significant typologies for the sector. It is the case however that unlike many jurisdictions, TCSPs in the Isle of Man are fully regulated for AML/CFT purposes and have been for many years.

- **Money Service Businesses** cover a variety of services in the Isle of Man, some of which were subject to anti-money laundering registration and oversight at the time of the national risk assessment. Money lending is also now included under the Designated Businesses (Registration and Oversight) Act 2015. Money Service Businesses represent a small sector compared to other groups in the Island with a low average transaction size and a customer base that is predominantly local resident (face to face).

- **Advocates** in the Isle of Man offer services which include regulated legal services¹¹ to an international client base. At the time of the national risk assessment, around half of all advocates were delivering such services. The extent and the value of international work provided to high net worth customers are identified as the predominant inherent vulnerabilities for money laundering or terrorist financing, although the primary risk remains deliberate collaboration or intent to commit a legislative breach or criminal offence. A number of practices have established separately licenced entities providing TCSP services; these businesses are supervised by the IOMFSA.

¹¹ A regulated legal service is one which is subject to the Anti-Money Laundering and Countering the Financing of Terrorism Code 2015

• **Accountants** are not always involved with client funds and transactions however global typologies indicate there are a number of risks for the sector including matters relating to taxation (specifically evasion) and collusion/complicity in misrepresenting financial affairs (accounting fraud). Data on the sector was generally limited at the time of the national risk assessment although the Designated Businesses (Registration and Oversight) Act 2015 now ensures that all registered firms of accountants and those representing themselves as accountants are obliged to submit confirmation of their compliance with anti-money laundering and combating the financing of terrorism requirements.

Other sectors

The national risk assessment also identified other sectors which may require further consideration in future, but for which there was insufficient data at the time, owing to the size of the sector or the absence of any requirement to report on anti-money laundering and combating the financing of terrorism matters.

These Designated Non-Financial Businesses and Professions (DNFBPs)¹² sectors included the following:

- payroll agents
- estate agents
- registered legal practitioners
- convertible virtual currency sector
- high value goods dealers
- specified non-profit organisations

This strategy identifies that further work is required in respect of these sectors and this will be assisted by the requirement for registration under the Designated Businesses (Registration and Oversight) Act 2015.

¹² DNFBPs

Overarching Strategic Themes

There are three overarching strategic themes which underpin each of the 10 goals that make up the strategy. These themes are;

- 1** Monitoring and maintaining compliance with international obligations and standards and supporting measures aimed at tackling money laundering, terrorist financing and combating proliferation¹³
- 2** Ensuring that the Isle of Man Government's national risk assessment and risk appetite for anti-money laundering and combating the financing of terrorism is adopted nationally by government, regulators and industry
- 3** Raising awareness and increasing knowledge concerning the threat of terrorist financing

The 22 actions which were identified during the NRA process are included within the 10 goals which make up this Strategy.

Within each goal a lead agency has been identified with responsibility for reporting upon and delivering the required actions, or working with others where the actions are shared between agencies (which are also identified). There is however a broad responsibility for everyone working in the public sector and beyond, whether explicit or not, to remain vigilant concerning suspected money laundering or financing of terrorism.

¹³ Proliferation of weapons of mass destruction ("WMDs") can be in many forms, but ultimately involves the transfer or export of technology, goods, software, services or expertise that can be used in programmes involving nuclear, biological or chemical weapons, and their delivery systems (such as long range missiles).

GOAL 1 **Ensure the provision of timely and effective international co-operation**

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Goal 1

Threats and Vulnerabilities

Predicate offences¹⁴ can and do occur in the Island. However with much of the Island's finance and related business being international in nature, assisting other jurisdictions in their investigations and prosecutions of money laundering and terrorist financing in cases where there is a connection with the Isle of Man is of paramount importance. The UK is the largest market for the Island's financial and non-financial services. In 2015 the UK National Crime Agency's Report 'National Strategic Assessment of Serious and Organised Crime' stated that:

"Many hundreds of billions of pounds of international criminal money is almost certainly laundered through UK banks, including their subsidiaries, each year"

The need for ongoing vigilance and a proactive approach to information sharing on the part of the Isle of Man is clear. In respect of tax, the introduction of automatic exchange of tax information is expected to reduce the threat presented by tax evasion in the longer term; it is however likely to create an increased demand upon resources for dealing with requests for international cooperation in the short to medium term.

Strategy

Ensure the Isle of Man has an effective legal framework for cooperation. Actively monitor and adhere to best practice and ensure that adequate resources are allocated to international cooperation. Continue to share knowledge and experience with other small or developing finance centres.

Lead agency: Attorney General's Chambers

Other agencies: Cabinet Office, Financial Intelligence Unit, Treasury (Customs and Excise Division and Income Tax Division), Regulators.

Goal 1 links to FATF Recommendation/s (R) and Immediate Outcomes (IOs)

R 36, 37, 38, 39 and 40 and elements of R 9, 24, 25 and 32

IO 2, 9 and elements of IO 3,5,6,8 and 10

¹⁴ Predicate offences are crimes underlying money laundering or terrorist finance activity. Money laundering offences assume that a criminal offence (the predicate offence) has occurred in order to generate the criminal property which is then laundered.

¹⁵ <http://www.nationalcrimeagency.gov.uk/publications/560-national-strategic-assessment-of-serious-and-organised-crime-2015/file>

Actions

- Ensure that Government has sufficient resources available to deliver international cooperation in a timely and effective manner in keeping with international standards.
- Continue to work with international partners to obtain and provide information on request, automatically and spontaneously to support anti-money laundering and combating the financing of terrorism activities.
- Contribute towards typologies¹⁶ developed by international bodies such as the FATF and MONEYVAL
- Build upon links with bodies and persons outside of the Isle of Man to develop networks for information sharing and advice which enhance national anti-money laundering and combating the financing of terrorism strategies.
- Ensure that accurate and accessible statistical data is maintained on all forms of international cooperation and that quantitative and qualitative analysis of the data is undertaken on a regular basis.
- Seek feedback on the effectiveness of information and cooperation provided to other jurisdictions by the Isle of Man.
- Continue to provide practical advice, help and support based upon the knowledge and experience of Isle of Man professionals to aid capacity building and the fight against corruption (e.g. through funding the Small Countries Financial Management Programme).
- Ensure that ongoing developments in international cooperation to address money laundering and terrorist financing are monitored and that the implications for the Isle of Man are understood and, where required, acted upon.
- Introduce new legislation and operational processes to ensure that international sanctions are applied in a timely manner.
- Continue to develop bilateral and multi-lateral relationships which enhance international cooperation including signing up to and implementing the requirements of relevant conventions and agreements.

¹⁶ Typology reports provide systematic studies of ML/TF cases that have characteristics or traits in common.

GOAL 2 Refine national anti-money laundering and combating the financing of terrorism policy making and legislative processes

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Goal 2

Threats and Vulnerabilities

The Isle of Man is a small jurisdiction with well-developed and close associations between the competent authorities and a high level of political understanding and engagement on anti-money laundering and combating the financing of terrorism matters. Nevertheless the national risk assessment identified areas for improvement, including a need for more clarity concerning national policy development, a review of communication and consultation with industry and a review of the structure and purpose of Government's own anti-money laundering and combating the financing of terrorism groups in light of evolving threats and changing demands.

Strategy

Ensure that national policy is led by the Cabinet Office and that the groups established to consider anti-money laundering and combating the financing of terrorism matters complement each other and support the Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Strategic Group in its role.

Lead agency: Cabinet Office

Other agencies: Attorney General's Chambers, Financial Intelligence Unit, Treasury (Customs & Excise Division and Income Tax Division), Financial Services Authority, Gambling Supervision Commission, Department of Economic Development, Department of Home Affairs, Isle of Man Constabulary.

Goal 2 links to FATF Recommendation/s and Immediate Outcomes

R 1 and 2

IO 1 and elements of IO 3, 5 and 9

Actions

- Review and improve as needed the process for anti-money laundering and combating the financing of terrorism policy development ensuring a holistic approach and proportionate legislative development.
- Review and improve as needed the process and resources available for making anti-money laundering and combating the financing of terrorism legislation.
- Examine and make revisions to the structure and membership of Government anti-money laundering and combating the financing of terrorism groups to ensure that they continue to meet changing circumstances and demands.
- Ensure that appropriate mechanisms exist to enable effective consultation with industry.
- Examine whether policy, legislative changes and progress are communicated effectively to industry and to the wider public.
- Introduce an annual Government publication to report progress on anti-money laundering and combating the financing of terrorism matters.
- Ensure that the anti-money laundering and combating the financing of terrorism strategic goals and actions arising out of the national risk assessment are reflected in national, agency¹⁷ and departmental plans and reported upon.
- Consider sentencing guidelines for money laundering offences.

¹⁷ "Agency" includes Isle of Man Financial Services Authority; Gambling Supervision Commission; IOM Constabulary; FIU and others

GOAL 3**Improve the collection and the analysis of data for NRA and for other anti-money laundering and combating the financing of terrorism purposes**

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Goal 3

Threats and Vulnerabilities

The level of money laundering and terrorist financing threat for the Isle of Man is informed by a variety of key data which includes economic data (e.g. financial flows into and out of the Island, source of business etc.) and data linked to law enforcement type activities (see Goal 4).

The national risk assessment identified that, in the case of the economic information, there were gaps in the available data. In the case of law enforcement type data, this was held by different agencies and in different ways.

The national risk assessment recognised that there was a need to build upon what had been available in order to obtain a more complete threat analysis and respond accordingly.

Strategy

Identify and establish a methodology for collecting, collating and analysing data linked to law enforcement type activities which is held by Isle of Man competent authorities. Ensure that responsibilities for the maintenance of this data are agreed and that, where applicable, data is held centrally and securely in a consistent format. Identify which relevant economic data can be obtained and via what route/s and establish a process for collecting, collating and analysing this data. Improve the timeliness of access to beneficial ownership information through the development of a central register.

Lead agency: Cabinet Office

Other agencies: Attorney General's Chambers, Financial Intelligence Unit, Treasury (Customs & Excise Division and Income Tax Division), Regulators, Economic Development, Isle of Man Constabulary, Office of Fair Trading.

Goal 3 links to FATF Recommendation/s and Immediate Outcomes

R 1, 24, 25, 29 and 33

IO 1, 5, 6, 7, 8, 9, 10

Actions

- Determine short, medium and longer term goals in respect of data collection, sharing and analysis.
- Identify and establish a methodology for collecting, collating and analysing data linked to law enforcement type activities.
- Ensure data capture is co-ordinated and that data is collated and maintained by the relevant authorities and that summarised data is held in a consistent format centrally and securely.
- Identify relevant economic data which can be obtained and via what route/s. Establish a process for collecting, collating and analysing this data.
- Review information sharing gateways so that data can be shared within the scope permitted.
- Establish a central register of beneficial ownership.

GOAL 4**Ensure that the Financial Intelligence Unit is fully enabled to fulfil its domestic and international obligations****Threats and Vulnerabilities**

As the national centre for the receipt and analysis of Suspicious Activity Reports (SARs), Suspicious Transaction Reports (STRs) and other information relevant to anti-money laundering and combating the financing of terrorism, the role of the FIU is fundamental. In the Isle of Man the FIU, international cooperation and financial crime investigation together formed the Financial Crime Unit (FCU), until the functions were separated in August 2015.

The FCU was therefore responsible for both financial intelligence gathering and the investigation of serious and complex fraud. The FCU was twice subject to inspection by the International Monetary Fund and broadly found to be effective and largely compliant with international standards. However in recent times staffing and resilience issues have contributed to abstractions which on occasion impacted resilience towards investigations.

Analyses of data and material has been restricted with a paper based system and on occasions lacked analytical oversight, particularly at a strategic level.

Strategy

Establish the FIU in law as a separate and independent unit¹⁸ with responsibility for financial intelligence gathering, the profiling and analysing of data and subsequent dissemination. Improve information sharing with partners through legal gateways and MOUs; assist regulatory bodies and law enforcement agencies deliver results through a formal tasking process.

The FIU will be supported by an independent ring-fenced staffing structure with oversight from a Board providing governance and an appropriate level of autonomy. The FIU to focus on its primary function, gathering intelligence and identifying risk relating to AML and CFT and other predicate offences and the dissemination of the results of analysis.

Secure via the transfer and/or recruitment of officers, resources appropriate to current and known demands and the technology required to handle and analyse data received by the FIU. Ensure that the FIU has the powers it requires in law and the resources to fulfil its obligations.

Establish and deliver a training and development programme to enable all staff to provide a high quality intelligence product.

¹⁸ The Financial Intelligence Unit Bill is due to receive Royal Assent in early 2016

Actions

- Redefine the role of FIU as an independent Unit established in law.
- Develop and publish an FIU Strategy aimed at ensuring that the Unit provides the central focus and lead for all anti-money laundering and combating the financing of terrorism intelligence.
- Secure via legislation effective powers in respect of SARs/STRs.
- Develop and implement a training and development programme for skills, knowledge and accreditation.
- Introduce online SAR/STR reporting; provide education, guidance and training for industry on reporting and improve feedback to industry.
- Evaluate the level of disseminations, investigations and prosecutions generated by SARs/STRs.
- Improve level of analysis given to SARs/STRs.
- Develop a methodology for collecting and analysing intelligence provided via Mutual Legal Assistance Requests received by the Isle of Man to inform potential intelligence packages.
- Establish a new body to share information/intelligence between competent authorities and to develop typologies relevant to the Isle of Man.
- Undertake regular strategic analysis of threats based upon intelligence received (i.e. identify changing and emerging trends).
- Review and where needed enhance information sharing gateways.
- Report upon and publish progress including relevant work, findings, data and typologies on an annual basis.

Lead agency: FIU Board

Other agencies: Attorney General's Chambers, Isle of Man Constabulary, Treasury (Customs & Excise Division), Department of Home Affairs, Cabinet Office.

Goal 4 links to FATF Recommendation/s and Immediate Outcomes

R 29 and 40 and elements of R 2, 4, 33 and 34

IO 2 and 6

GOAL 5**Implement revised structures for investigations into money laundering and the financing of terrorism and assess effectiveness**

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Goal 5

Threats and Vulnerabilities

The Financial Crime Unit (FCU), which until recently incorporated an FIU, international cooperation, and financial crime investigations, has experienced recent retirements and some limited abstractions to support the demands of the wider Isle of Man Constabulary (IOMC).

There is a need to provide a more structured pathway and training regime to align to the emerging threats of ML and FT and build upon the operational and academic experience already within the existing team, and develop future investigators to meet the needs of longer term succession planning.

Strategy

Complete the restructuring of the FCU and its relocation to the Isle of Man Constabulary Police Headquarters, embedding ML FT and criminal investigations into the priorities for the department.

This approach will be supported by a structured multi-agency tasking approach and the inclusion of better joint agency working with the Isle of Man Customs and Excise Law Enforcement and Income Tax Division.

The revised model must ensure a more robust resourcing with trained investigators available to receive intelligence packages provided by the FIU and/or third parties.

This will be underpinned by implementing the training and development programme enabling investigators to provide high quality specialist financial crime investigations.

Lead agency: IOM Constabulary

Other agencies: Home Affairs, Cabinet Office, Treasury Customs and Excise Division

Goal 5 links to FATF Recommendation/s and Immediate Outcomes

R 30 and elements of R2, 4 and 37

IO 7, 8 and 9

Actions

- Re-structure financial crime investigation as a role of the Isle of Man Constabulary and, in relation to customs and indirect tax matters, Isle of Man Customs and Excise.
- Ensure that a policy and procedures for prioritising serious money laundering or financing of terrorism investigations is in place and that it is adhered to.
- Implement financial crime training for skills, knowledge and accreditation.
- Establish and implement the required procedures and processes between the FIU and the Isle of Man Constabulary financial crime investigations and Isle of Man Customs and Excise Law Enforcement Section including tasking and coordinating.
- Identify and implement inter-departmental procedures to enable joint agency working and resourcing of financial crime investigations as required.
- Ensure that comprehensive data on financial crime investigation is maintained in a consistent and accessible manner and that it enables cases to be fully traced and the analyses of cases to be undertaken.

GOAL 6 **Promote measures to increase asset forfeiture and recovery, including civil recovery**

Threats and Vulnerabilities

Depriving criminals of the proceeds of their crimes, whilst often a challenging and lengthy process, is a fundamental objective of the FATF and one which is gaining heightened importance internationally.

As the Isle of Man is an international finance centre, entities in the Isle of Man are at risk of being used for the purposes of layering¹⁹ the proceeds of crime rather than necessarily being used to hold the proceeds, which may in fact be moved elsewhere.

Strategy

Ensure that asset forfeiture and recovery (including civil recovery) is working effectively in the Isle of Man, that confiscation of criminal assets is pursued as a policy objective so that victims can be restituted and confiscated assets contribute to the Island's Seized Assets Fund or repatriated or shared with other countries.

22

Goal 6

Lead agency: Attorney General's Chambers

Other agencies: Cabinet Office, Treasury (Customs and Excise), FIU, Isle of Man Constabulary.

Goal 6 links to FATF Recommendation/s and Immediate Outcomes

R 1, 2, 4 and 38 and elements of R 31 and 40

IO 8 and elements of IO 2, 6 and 7

¹⁹ Layering is where the proceeds of crime are converted from one form to another, e.g. moved between various accounts and/or jurisdictions to disguise the audit trail and the illegitimate source of the funds.

Actions

- Review past and current cases of asset forfeiture and recovery in the Isle of Man to identify any learning points.
- Develop and publish a national policy statement regarding asset forfeiture and recovery.
- Ensure that the policy is reflected in the approach taken by the FIU, financial crime investigative officers and the Attorney General's Chambers.
- Ensure that financial intelligence is used effectively in the pursuit of confiscation.
- Develop a process for investigation to enable civil recovery.
- Identify and allocate responsibility for leading on asset recovery and document required procedures and processes with development and delivery of the required training for the staff involved in forfeiture and recovery.
- Ensure that comprehensive statistics are kept regarding the proceeds of crime, assets seized or frozen and the number and amount of confiscation orders and amounts recovered.

GOAL 7 Examine the implementation and enforcement of regulatory sanctions

Threats and Vulnerabilities

Supervision and monitoring by regulators is aimed at mitigating the risks of money laundering and terrorist financing in the financial and other relevant sectors. In order to be effective it is important that violations or failures in anti-money laundering and combating the financing of terrorism are identified and dealt with promptly, by regulatory sanctions where appropriate to encourage compliance and discourage abuse.

The NRA identified a general lack of awareness within industry concerning the implementation and enforcement of sanctions by the regulators which might detract from the deterrent feature of the application of sanctions and thereby, effectiveness. Sanctions available to one regulator were not necessarily available to another.

Strategy

The administrative, civil and criminal sanctions regimes will provide proportionate, appropriate and dissuasive measures. Government agencies and industry are aware of the escalation criteria. The application of sanctions is transparent and fair. Regulators are seen to have the full support of Government in respect of the sanctions regime.

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Goal 7

Lead agencies: Financial Services Authority & Gambling Supervision Commission

Other agencies: Cabinet Office, Department of Home Affairs

Goal 7 links to FATF Recommendation/s and Immediate Outcomes

R 26, 27, 28 and 35

IO 3 and elements of IO 1

Actions

- Assess impact of new civil penalty regime.
- Ensure all supervisors have a proportionate suite of sanctioning powers.
- Provide more published guidance to industry and guidelines regarding the uses of remedial action, the application of administrative sanctions and the circumstances in which this may escalate to criminal sanctions.
- Maintain and publish statistics on levels and type of actions taken.
- Maintain statistics on referrals for criminal sanctions and outcome.

GOAL 8 Implement oversight and supervision of designated non-financial businesses and professions and assess progress

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Goal 8

Threats and Vulnerabilities

Designated non-financial businesses and professions (DNFBPs) include sectors which act as gatekeepers to the financial system, for example advocates and accountants, as well as smaller specialist sectors such as payroll and estate agents.

It is a wide group some of which has been self-regulated by professional bodies and some of which has not been regulated for anti-money laundering and combating the financing of terrorism purposes.

There was little NRA data available in 2014/15 for some DNFBPs other than for trust and corporate service providers and gambling, which have been subject to oversight in the Isle of Man for some time²⁰.

Strategy

Further to the enactment of the Designated Business (Registration and Oversight) Act in October 2015, continue registration of applicable DNFBPs and programme of outreach for information and educational purposes.

Ensure that all non-financial businesses undertaking activities in the Island have the appropriate oversight and supervision by the FSA and/or designated professional bodies in respect of their obligations under relevant money laundering and financing of terrorism legislation and that the identified risks are appropriately managed. Identify any other applicable sectors which require bringing under the legislation.

Lead agency: Financial Services Authority

Other agencies: Cabinet Office, Office of Fair Trading

Goal 8 links to FATF Recommendation/s and Immediate Outcomes

R 22, 23, 28, 34 and 35 and elements of 25

IO 3, and 4 and elements of IO 5

²⁰ TCSPs and gambling are therefore not the subject of this strategic goal.

Actions

- Continue to undertake information provision and awareness raising with DNFBPs regarding the requirements of the legislation.
- Review progress on registration of relevant businesses and professions and take such measures as required to ensure compliance.
- Establish arrangements for oversight by supervisory bodies and reporting where this is to be delegated.
- Develop sector specific anti-money laundering and combating the financing of terrorism guidance to assist the sectors.
- Commence programme of visits adopting a risk based approach.
- Review and determine process for assessing or re-assessing the money laundering and financing of terrorism risk of the sectors as required once a baseline of data and information is obtained.
- Identify any required amendments to guidance or regulations arising out of the registration and oversight process or a visiting programme.

GOAL 9**Implement enhanced measures at the border to strengthen controls on cash and similar instruments and assess effectiveness****Threats and Vulnerabilities**

As a member of the UK Common Travel Area²¹ the Isle of Man does not have formal border controls. There are a number of reasons why the absence of fixed controls is not considered to be a significant risk.

Priorities will continue to be detecting prohibited or restricted items such as drugs, rather than cash, however the NRA identified measures that would assist in controlling the movement of cash and similar instruments into the Island.

Strategy

Proactively monitor the effectiveness of new controls introduced in 2015²² and the impact of training and awareness raising work with staff at the ports and airport. Examine how reporting on movements at the airport (including private jets) and marinas might be improved.

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Goal 9

Lead agency: Treasury (Customs and Excise Division)

Other agencies: Department of Home Affairs, Department of Infrastructure; FIU; Isle of Man Post Office

Goal 9 links to FATF Recommendation/s and Immediate Outcomes

R 32 and elements of R 4, 38 and 40

IO 8 and elements of IO 2

²¹ The Common Travel Area (CTA) comprises the UK, the IOM, the Channel Islands and Ireland. Subject to certain exceptions, the CTA's internal borders are subject to minimal or non-existent border controls and can normally be crossed by British and Irish citizens with minimal identity checks.

²² The Customs and Excise Management Act 1986 was amended in 2015 and the definition of 'cash' widened to cover e.g. stored value cards.

Actions

- Review the impact of controls and regulations concerning declarations on cash and similar instruments (e.g. stored value cards).
- Improve reporting on movements at airport (including private jets) and the ferry port/marinas.
- Continue training and awareness programme with security and other staff at ports/airport and amongst postal and freight carriers.
- Progress the Customs and Excise Bill which introduces powers to strengthen controls; examine the case for other powers as needed.
- Maintain statistical data on cash seizures, data on training etc.

GOAL 10 Promote training and awareness of anti-money laundering and combating the financing of terrorism within Government

30

Goal 10

Threats and Vulnerabilities

Domestic money laundering, though mainly connected with drugs, does take place on the Isle of Man. As the largest employer in the Island, the Government has a responsibility to ensure that its officers are aware of this threat.

At a strategic level, as an international finance centre it is highly relevant that Ministers and senior officers in particular have an understanding of the issues so that they are informed when assessing risks to the Isle of Man.

Strategy

Ensure that all persons across government, including Ministers, Chief Officers and relevant front line personnel, are aware of the threats of money laundering and terrorist financing and the vulnerabilities of the Isle of Man to those threats and how these might manifest themselves within the area of government applicable to them so that departmental operations and procedures may be enhanced and developed to counter those risks.

Ensure that Ministers responsible for determining policy in respect of combatting money laundering and terrorist financing are made aware of emerging threats relevant to the Isle of Man.

Lead agency: Cabinet Office

Other agencies: All Government departments, boards and offices handling large contracts and cash; the Isle of Man Constabulary, Attorney General's Chambers, Courts Division, FIU, Office of Fair Trading; Treasury, Customs and Excise Division

Goal 10 links to FATF Recommendation/s and Immediate Outcomes

R 33

IO 1 and elements of IO 2

Actions

- Develop and deliver programmes for raising awareness of anti-money laundering and combating the financing of terrorism with political members, Chief Officers and senior officers
- Ensure that anti-money laundering and combating the financing of terrorism training for Government addresses the international standards which the Isle of Man is required to meet.
- Develop and implement training programmes for front line staff handling certain types of transactions including large cash settlements.
- Monitor and report progress on plans for increasing knowledge, training and development in financial crime matters including within the police, customs and excise, prosecutors and the judiciary.
- Ensure that data on anti-money laundering and combating the financing of terrorism training is kept and that the effectiveness of programmes, in particular those delivered internally, is assessed.

Implementation of the national strategy

The Anti-Money Laundering and Countering the Financing of Terrorism Strategic Group (the Strategic Group) will be responsible for monitoring and assessing the effectiveness of this strategy and reporting upon progress on an annual basis to the Council of Ministers.

In delivering this national strategy, the Strategic Group will take also into account any anti-money laundering/combating the financing of terrorism evaluations or related reports that are published, notably the outcomes of the 5th Round Mutual Evaluation Report by MONEYVAL which is expected to be finalised in December 2016, and any relevant developments in the wider international environment.

Consequently this Strategy will be a dynamic, living document which accurately reflects and addresses identified money laundering and terrorist financing risks for the Isle of Man and evidences progress to combat those risks.

Assessment of outcomes

Each lead agency identified within the strategy will provide reports (verbal and written) on progress against relevant Goals to meetings of the Strategic Group. Actions will be monitored and amended where it appropriate to do so.



This Strategy will be a dynamic, living document which accurately reflects and addresses identified money laundering and terrorist financing risks for the Isle of Man and evidences progress to combat those risks



Appendix I

Isle of Man Government AML/CFT Framework

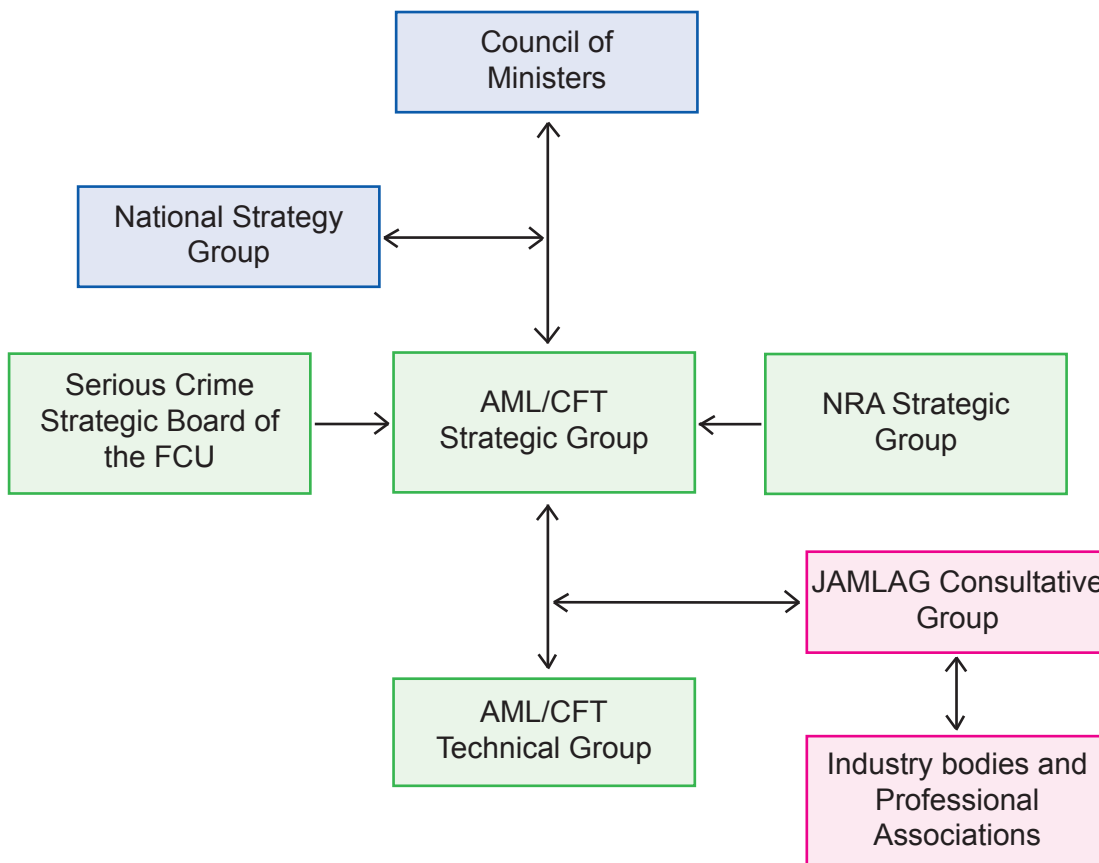
Several AML/CFT pan-Government groups exist in the Isle of Man, including:

- The AML/CFT Strategy Group - a high level committee consisting of senior officers from Government, the regulators and law enforcement, chaired by the Chief Secretary.
- The AML/CFT Technical Group - which reports into the Strategic Group.
- The Joint Anti-Money Laundering Advisory

Group (JAMLAG) - an industry liaison forum which brings together Government, regulators and industry. The work of this group feeds into the considerations of both the Strategic and the Technical AML/CFT groups.

The diagram below sets out the inter-relationships between the various AML/CFT groups. Political bodies are highlighted in blue; officers in green and industry in pink. The Serious Crime Strategic Board will be replaced by the FIU Board once the Financial Intelligence Unit Bill receives Royal Assent.

Figure 1 Isle of Man Government AML/CFT Groups



Council of Ministers

The Council of Ministers is the highest level decision making body within the Isle of Man Government. It consists of eight Ministers and the Chief Minister with a small number of advisers also present. Its purpose is to set national and international policy which includes matters in respect of AML/CFT and to provide clear leadership to the separate legal entities of departments, offices and statutory boards which make up the Isle of Man Government. It also has some statutory decision-making functions and importantly has a reserved power to give a department or statutory board directions with regard to the exercise of functions where it appears to it to affect the public interest.

National Strategy Group

The National Strategy Group (NSG) is a sub-committee of the Council of Ministers and consists of the Chief Minister and the Ministers for Treasury and Economic Development with a number of advisors present. It is responsible for ensuring that priority is given to national imperatives within the National Strategic Plan. The Committee identifies work streams which require policy development and together with the other Council of Ministers Committees, identifies and drafts policies to recommend to Council of Ministers.

Anti-Money Laundering and Combating the Financing of Terrorism Strategic Group

The purpose of the Anti-Money Laundering and Combating the Financing of Terrorism Strategic Group (AML/CFT Strategic Group) is to provide an effective mechanism to enable relevant officers in Government, the regulators and law enforcement in the Island to cooperate and coordinate with each other concerning the development and implementation of policies and activities

related to combating ML/TF, the financing of proliferation of weapons of mass destruction, and compliance with related international financial standards. The terms of reference are as follows:

- a. To support the Isle of Man Government Commitment to Combating Money Laundering and the Financing of Terrorism and Proliferation through the provision of corporate advice and support.
- b. To consider the implications for the Island of the development of relevant international standards and related initiatives.
- c. To lead on and coordinate preparations for assessments of the Island's compliance with the FATF Recommendations, and other relevant international standards such as Basel, IOSCO and IAIS, by international bodies.
- d. To lead on and coordinate the consideration and progression of any recommendations made following the international assessments referred to above.
- e. To provide advice to the Council of Ministers on relevant matters and to make recommendations to Council where any significant policy decision is required, and in particular where there may be financial or resource implications, or issues concerning the international reputation of the Island.

The AML/CFT Strategic Group is chaired by the Chief Secretary and comprises, ex officio, the Chief Financial Officer, Chief Executive of the Department of Home Affairs, HM Acting Attorney General, Chief Executives of the regulators, the Chief Constable and a number of advisers from across Government. The Strategic Group is not a legal entity, neither is it provided for in current legislation; rather the Strategic Group receives its mandate from the Council of Ministers.

Serious Crime Strategic Board²³

The Serious Crime Strategic Board is chaired by the Chief Constable and brings together partner agencies in order to provide the necessary governance for the operation of the Financial Crime Unit (which includes the FIU).

The Chief Constable is accountable to the Minister for Home Affairs, but works closely with the partner agencies to meet strategic and operational objectives and ensures that the Board considers any strategic and organisational requirements proposed for it by the Council of Ministers. The partner agencies are the Department of Home Affairs, HM Attorney General's Chambers, the Income Tax Division of the Treasury, and the Customs and Excise Division of the Treasury.

The FCU also has a role in formulating AML policy and strategy. Furthermore the Chief Constable sits on the AML/CFT Strategic Group and the Head of the FCU sits on the AML/CFT Technical Group. This ensures that any practical difficulties and findings made through the process of investigation can inform the formulation of strategy and the potential risk areas for the Isle of Man.

Anti-Money Laundering and Combating the Financing of Terrorism Technical Group

The overall purpose of the AML/CFT Technical Group is to provide advice and support to the AML/CFT Strategic Group in respect of the development of ML regulation, the implications for the Isle of Man of

changes to international standards and the effectiveness of measures intended to tackle ML/TF at Government and industry level. The Technical Group comprises representatives from the regulators, law enforcement, the Treasury, the Cabinet Office, the Departments of Home Affairs and Economic Development and the Office of Fair Trading. Ad hoc sub groups may be formed to consider particular issues. The Group is a forum for coordination and discussion across Government as well as focussing on matters in respect of AML/CFT regulation and guidance and emerging issues in respect of the application of regulation.

Joint Anti-Money Laundering Advisory Group

The Joint Anti-Money Laundering Advisory Group (JAMLAG) is a representative discussion forum for regulators, law enforcement authorities and industry. It provides a forum in which key stakeholders can comment and advise on prospective changes to AML regulations and guidance. Furthermore, JAMLAG aims to foster coordination of AML practices between different industry sectors and acts, as appropriate, as a review body for major changes to international ML standards which might be promulgated. Ad hoc sub groups may be formed to consider particular issues. Chairmanship of JAMLAG meetings rotates between the relevant authorities.

²³ A Financial Intelligence Unit Bill is expected to receive Royal Assent in spring 2016. The SCSB will then be superseded by an FIU Board, established in law, as the FIU becomes a separate legal entity. The FIU Board will comprise HM Attorney General, the Chief Constable and the Collector, Customs and Excise. Its functions are set out in the legislation. The FIU Board will have a role in advising the Strategic Group regarding AML/CFT policy and strategy.

Appendix II

THE FATF RECOMMENDATIONS AND IMMEDIATE OUTCOMES²⁴

R 1	Assessing risks & applying a risk-based approach
R 2	National cooperation and coordination
R 3	Money laundering offence
R 4	Confiscation and provisional measures
R 5	Terrorist financing offence
R 6	Targeted financial sanctions related to terrorism & terrorist financing
R 7	Targeted financial sanctions related to proliferation
R 8	Non-profit organisations
R 9	Financial institution secrecy laws
R 10	Customer due diligence
R 11	Record keeping
R 12	Politically exposed persons
R 13	Correspondent banking
R 14	Money or value transfer services
R 15	New technologies
R 16	Wire transfers
R 17	Reliance on third parties
R 18	Internal controls and foreign branches and subsidiaries
R 19	Higher-risk countries
R 20	Reporting of suspicious transactions
R 21	Tipping-off and confidentiality
R 22	DNFBPs: Customer due diligence
R 23	DNFBPs: Other measures
R 24	Transparency and beneficial ownership of legal persons
R 25	Transparency and beneficial ownership of legal arrangements
R 26	Regulation and supervision of financial institutions
R 27	Powers of supervisors
R 28	Regulation and supervision of DNFBPs
R 29	Financial intelligence units
R 30	Responsibilities of law enforcement and investigative authorities
R 31	Powers of law enforcement and investigative authorities
R 32	Cash couriers
R 33	Statistics
R 34	Guidance and feedback
R 35	Sanctions
R 36	International instruments
R 37	Mutual legal assistance
R 38	Mutual legal assistance: freezing and confiscation
R 39	Extradition
R 40	Other forms of international cooperation

Version as adopted on 15 February 2012.

INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM & PROLIFERATION

²⁴ For information concerning the details underpinning each Recommendation see <http://www.fatf-gafi.org/publications/fatfrecommendations/>. For information concerning the background to the FATF Methodology and IOs see <http://www.fatf-gafi.org/media/fatf/documents/methodology>.

THE FATF IMMEDIATE OUTCOMES

IO 1	Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation.
IO 2	International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets.
IO 3	Supervisors appropriately supervise, monitor and regulate financial institutions and DNFBPs for compliance with AML/CFT requirements commensurate with their risks.
IO 4	Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions.
IO 5	Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments.
IO 6	Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations.
IO 7	Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions.
IO 8	Proceeds and instrumentalities of crime are confiscated.
IO 9	Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.
IO 10	Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.
IO 11	Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.

GLOSSARY OF TERMS AND ACRONYMS

Term or acronym	Definition
AGC	Attorney General's Chambers
AML	Anti-Money Laundering
AML / CFT	Anti-Money Laundering / Combating Financing of Terrorism
AML / CFT Code	Anti-Money Laundering and Countering the Financing of Terrorism Code 2015
C&E	(Isle of Man) Custom and Excise Division
CFT	Countering the Financing of Terrorism
CSP	Corporate Services Provider
CTA	Common Travel Area
CVC	Convertible Virtual Currency
DED	Department of Economic Development
DHA	Department of Home Affairs
DNFBP	Designated Non-Financial Business or Profession
DB(RO) Act 2015	Designated Businesses (Registration and Oversight) Act 2015
FATF	Financial Action Task Force
FCU	Financial Crime Unit
FIU	Financial Intelligence Unit
FSA	Financial Services Authority
GSC	Gambling Supervision Commission
HVGD	High Value Good Dealer
OFI	Other Financial Institution
ILOR	International Letters of Request
IOM	Isle of Man
IOMG	Isle of Man Government
JAMLAG	Joint Anti-Money Laundering Advisory Group
ML	Money Laundering
MLAR	Mutual Legal Assistance Request
MLRO	Money Laundering Reporting Officer
ML / TF	Money Laundering / Terrorist Financing
ML / TF Code	Anti-Money Laundering and Countering the Financing of Terrorism Code 2015
MONEYVAL	Council of Europe's committee of experts on money laundering, which conducts AML/CFT assessments of the Isle of Man
MSB	Money Service Business
NPO	Non-Profit Organization
NRA	(Isle of Man) National Risk Assessment
OFT	(Isle of Man) Office of Fair Trading
PEP	Politically Exposed Person
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
SCSB	Serious Crime Strategic Board
SRB	Self-Regulated Body
TIEA	Tax Information Exchange Agreement
TCSP	Trust and Company Services Provider
TF	Terrorist Financing
Tynwald	Parliament of the Isle of Man
WMD	Weapons of Mass Destruction

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