



Isle of Man
Government

Reiltys Ellan Vannin



DEPARTMENT OF HOME AFFAIRS

Consultation on the Fraud Bill

SUMMARY OF RESPONSES TO THE CONSULTATION

January 2017

1. Publishing the Consultation

- 1.1. The Cabinet Office published the consultation on behalf of the Department 19th August 2016 with an initial closing date of 7th October 2016. The consultation document was circulated electronically to all the new elected Members of the House of Keys and the consultation period was extended until 17th October to enable them to respond to the consultation if they wished to do so.
- 1.2. The consultation document, in line with the Isle of Man Government's Code of Practice on Consultation, was sent directly to various persons or organisations, including the following—
 - Members of Tynwald
 - Chief Officers of Government Departments, Statutory Boards and Offices
 - Local Authorities
 - Isle of Man Courts of Justice
 - Chamber of Commerce
 - Isle of Man Employers Federation
 - Isle of Man Law Society
 - Isle of Man Constabulary
 - Isle of Man Trade Council
 - Positive Action Group
 - Association of Corporate Service Providers
- 1.3. The consultation document was reported in the media and published on the Isle of Man Government's consultation website.

2. Submission of responses to the consultation

- 2.1. Eleven responses were received, of which -
 - 1 was from an individual;
 - 1 was from a Local Authority;
 - 7 were from Government/public sector bodies; and
 - 2 were from persons on behalf of their business organisations.

3. Summary of responses to the principle of the Bill

- 3.1 Respondents were supportive of the Bill and made additional comments as summarised below.
- 3.2 One respondent supported the proposed introduction of the Bill on the grounds that it will further strengthen the Island's reputation as an international finance centre. In addition, in aligning the Island to UK standards, the proposed measures would also provide a credible deterrent to those wishing to commit fraud and should in turn raise customer confidence in respect of financial services and law enforcement on the Island.

- 3.3 Another respondent was content with the draft and felt it would act as a deterrent for local crime and be positive for international investors and the business community in general.
- 3.4 A third respondent noted that with advances in technology over recent years and more sophisticated methods available to those wishing to commit fraud, there was a need to update the legislation we currently have to protect our population and those who wish to invest in our Island. It follows that the introduction of specific legislation to combat fraud is logical and necessary if the Island wishes to continue to market itself and its services in an increasingly competitive environment.

The respondent observed that with the UK enacting the Fraud Act in 2006 and Guernsey doing so in 2009 the Island cannot appear to have been left behind and potentially be seen as providing a location for unlawful practices. Clear, straightforward legislation will potentially lead to a reduction in the time and associated legal costs involved in the prosecution of Manx offences, and in assisting other jurisdictions to prosecute.

4. Summary of responses specifically relating to the Bill

- 4.1. Three of the respondents had no comment to make at all on the Bill. However, other respondents made additional comments as summarised below.
- 4.2 One of the respondents notes the Fraud Bill appears to be a straight forward, easily understandable piece of legislation which sets out each of the offences in detail along with the associated penalties. This should hopefully reduce the time and expense spent in prosecuting and convicting such cases through the Isle of Man Courts.
- 4.3 Two respondents wanted to ensure fraud committed involving one or more jurisdictions could be prosecuted. One of the respondents also wished to ensure the Bill covered the offence of conspiracy to commit fraud adequately. The respondent further wondered why the section numbers in the draft Bill differed slightly from the UK Fraud Act 2006 and suggested that rather than specifying the maximum fines it would be better to refer to a standard scale. This, the respondent felt, would make it easier to vary the maximum fines without having to amend the fines set out in legislation such as this each time a variation in the maximum level of fine is called for.

Department response to paragraph 4.3

- 4.4 The Department, having reviewed the Bill, is satisfied that, within the terms of the Bill, sufficient provision has been made to enable prosecution of offences committed in the Island or involving the Island but also involving other jurisdictions. Likewise, the Department considers that the offence of conspiracy to commit an offence (or offences) involving the Island and other jurisdictions is addressed. In respect of provision for fines the Department considers the current specific provision for summary fines in relation to fraud are persuasive and appropriate.

5. Conclusion:

- 5.1 The Department is grateful for the responses received in relation to the Fraud Bill and notes there was broad and positive support for its introduction.
- 5.2 The Department recognises there is more work to be done generally in relation to offences committed by a resident of the Island where more than one jurisdiction is involved and will continue to modernise the law in relation to conspiracy when an appropriate legislative opportunity arises.

6. Outcome of the consultation

- 6.1 In view of the positive response to the consultation the Bill was submitted to the Council of Ministers for authority to print the Bill, which will receive its First Reading in the House of Keys on 7th February 2017.

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