

# Isle of Man Customs and Excise

## Do the Requirements of Anti-Money Laundering Law Apply to my Business?

All designated businesses, and those that accept cash payments of €15,000 or more (or the equivalent in any currency), are required to comply with the legislation concerned with the prevention of money laundering. This means the requirements of the Proceeds of Crime Act 2008 (POCA), the Anti-Terrorism and Crime Act 2003 (ATCA), the Terrorism and Other Crime (Financial Restrictions) Act 2014, and the relevant subordinate legislation in the form of orders or codes.

The relevant codes were last updated in the –

Anti-Money Laundering and Countering the Financing of Terrorism Code 2015 [SD 2016/0102], which came into operation on 1 April 2015; and

Money Laundering and Terrorist Financing (Online Gambling) Code 2013 [SD 0096/13], which came into operation on 1 May 2013.

“Designated businesses” are those listed in Schedule 4 to POCA or Schedule 1 to the Designated Businesses (Registration and Oversight) Act 2015.

### What do I need to do?

You must put in place certain controls to prevent your business from being used for money laundering if you’re covered by the legislation. These include:

- assessing the risk of your business being used by criminals to launder money;
- checking the identity of your customers;
- checking the identity of ‘beneficial owners’ of corporate bodies and partnerships;
- monitoring your customers’ business activities and reporting anything suspicious to the Financial Intelligence Unit (FIU);
- making sure you have the necessary management control systems in place;
- keeping all documents that relate to financial transactions, the identity of your customers, risk assessment and management procedures and processes;
- making sure that your employees are aware of the regulations and have had the necessary training;
- You need to appoint a nominated officer (also called a money laundering reporting officer or MLRO) as part of the anti-money laundering controls that you have to put in place.
- You don’t need to appoint a nominated officer if your business doesn’t have any employees, because you’re the person who is directly responsible for informing the FIU.

In this fact sheet references to money laundering should be taken to also refer to the financing of terrorism

Copies of the Acts and Codes referred to can be found online. The links are given at the end of this Factsheet.

- Your nominated officer must be told if anyone in your business knows or suspects that another person is laundering money or financing terrorism. The nominated officer then has to review the information they have received and decide if it needs to be reported to the FIU.
- Once the nominated officer decides there are reasonable grounds to suspect money laundering they must tell the FIU at the earliest possible opportunity. The nominated officer should get consent from the FIU to complete the transaction. If it's not possible to delay the transaction to get consent, the nominated officer should inform the FIU of this when they send their report.

### Are there any penalties for non-compliance?

Yes. Failure to comply with the requirements of the Codes is a serious criminal offence.

Actual involvement in money laundering would, of course, be a very serious matter and can involve substantial custodial sentences.

### Do you send cash from the Island, or receive it from outside the Island?

If you send or receive cash by any means (carried on the person, or in the mail or sent using courier or freight services or otherwise) and it exceeds €10,000 (or the equivalent in any currency) you must make a declaration to Customs and Excise on each occasion.

“Cash” includes any banknotes or coins in any currency (including counterfeit), postal orders and cheques of any kind (including travellers cheques) – but excluding cheques drawn on a British or Irish bank. It also includes stored-value cards and any other document, device, coin or token with a monetary value. See Notice 9011 MAN on the Customs and Excise website for a full definition.

### Trade Based Money Laundering

Money Laundering can also include –

- disguising the proceeds of crime; and
- moving its value using the cover of real or concocted trade transactions,

so as to legitimise the illicit origins of the proceeds.

This is known as Trade Based Money Laundering (TBML), and such processes can involve –

- a) misrepresenting the price, quality or quantity of goods being brought and sold, transported, imported, exported or otherwise traded;
- b) creating a partly or wholly bogus trading arrangement, or trading pattern, that can be used to justify the movement of value from one place or person to another (sometimes referred to as “phantom shipping”); or
- c) diversion of the goods from their original, stated destination back into the country of origin to avoid taxes or duties, for sale on the black market or insertion into the legitimate supply chain. Sometimes referred to as “U-Boat shipping”, it has been seen in the UK in excise diversion fraud of alcoholic drinks, for example.

For further information about TBML please see [Notice 1000 MAN](#)

### More help

If you prefer to speak to us, or to arrange for a printed copy of any IOM Customs & Excise Notice guidance please use the contact details provided.

### How do I find out more?

Contact the Isle of Man Financial Services Authority – contact details are given below.

More information is also available at <https://www.iomfsa.im/amlcft/amlcft-legislation/>

### Contact details

Isle of Man Financial Services Authority  
PO Box 58, Finch Hill House  
Douglas, Isle of Man, IM99 1DT

Tel: +44 (0) 1624 689340 or 689377

Email: [aml@iomfsa.im](mailto:aml@iomfsa.im)

Website: <http://www.iomfsa.im/>

Isle of Man Customs and Excise  
PO Box 6, Custom House, North Quay,  
Douglas, Isle of Man, IM99 1AG

Tel: +44 (0) 1624 648100

Email: [customs@gov.im](mailto:customs@gov.im)

Website:

<https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/>

Copies of Acts of Tynwald can be found at:

<http://www.legislation.gov.im/cms/>

These notes are for guidance only and reflect the position at the time of writing.