

Anti-money laundering and counter-terrorist financing measures

Isle of Man

2nd Enhanced Follow-up Report & Technical Compliance Re-Rating

July 2019



The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.

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The 2nd Enhanced Follow-up Report and Compliance Re-Rating on Isle of Man was adopted by the MONEYVAL Committee at its 58th Plenary Session (Strasbourg, 15 – 19 July 2019).

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Isle of Man: 2nd Enhanced Follow-up Report and Technical Compliance Re-Ratings

I. INTRODUCTION

1. The mutual evaluation report (MER) of the Isle of Man was adopted in December 2016. The report analyses the progress of the Isle of Man in addressing the technical compliance (TC) deficiencies identified in its MER. Re-ratings are given where sufficient progress has been made. This report also analyses progress made in implementing new requirements relating to FATF Recommendations which have changed since the Isle of Man's MER was adopted: this concerns notably Recommendations 2, 8, 18 and 21¹. Overall, the expectation is that countries will have addressed most if not all TC deficiencies by the end of the third year from the adoption of their MER. This report does not address what progress the Isle of Man has made to improve its effectiveness. A later follow-up assessment will analyse progress on improving effectiveness which may result in re-ratings of Immediate Outcomes at that time.

II. FINDINGS OF THE MUTUAL EVALUATION REPORT

2. The MER and the 1st enhanced follow-up report rated the Isle of Man as follows for technical compliance:

Table 1. Technical compliance ratings, July 2018

| | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|
| R 1 | R 2 | R 3 | R 4 | R 5 | R 6 | R 7 | R 8 | R 9 | R 10 |
| LC | C | C | LC | C | C | LC | LC | C | LC |
| R 11 | R 12 | R 13 | R 14 | R 15 | R 16 | R 17 | R 18 | R 19 | R 20 |
| LC | LC | C | LC | C | C | LC | LC | C | C |
| R 21 | R 22 | R 23 | R 24 | R 25 | R 26 | R 27 | R 28 | R 29 | R 30 |
| LC | LC | PC | LC | PC | LC | LC | LC | C | C |
| R 31 | R 32 | R 33 | R 34 | R 35 | R 36 | R 37 | R 38 | R 39 | R 40 |
| C | C | C | LC | LC | LC | LC | LC | C | LC |

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

Source: The Isle of Man Mutual Evaluation Report, December 2016, <https://rm.coe.int/anti-money-laundering-and-counter-terrorist-financing-measures-isle-of/168071610e>; The Isle of Man 1st Enhanced Follow-up Report, July 2018, <https://rm.coe.int/moneyval-2018-9-sr-5th-round-summary-fupmer-isle-of-man/16808d3cca>.

3. Given the results of the MER, the Isle of Man was placed in enhanced follow-up². The first enhanced follow-up report submitted by the Isle of Man was discussed at the 56th Plenary meeting in July 2018. The Plenary invited the Isle of Man to submit a second enhanced follow-up report for the 58th MONEYVAL Plenary in July 2019.

4. The assessment of the Isle of Man's request for technical compliance re-ratings and the

¹Compliance with R.5 and R.7 which have changed since the Isle of Man's MER was analysed in the 1st enhanced follow-up report of the Isle of Man.

² Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up involves a more intensive process of follow-up. This is intended to be a targeted but more comprehensive report on the countries/territories' progress, with the main focus being on areas in which there have been changes, high risk areas identified in the MER or subsequently and on the priority areas for action.

preparation of this report were undertaken by the MONEYVAL Secretariat, together with the following Rapporteur teams:

- Estonia
- Italy

5. Section III of this report summarises the Isle of Man's progress made in improving technical compliance. Section IV sets out the conclusion and a table showing which Recommendations have been re-rated.

III. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

6. This section summarises the progress made by the Isle of Man to improve its technical compliance by:

- a) Addressing the technical compliance deficiencies identified in the MER, and
- b) Implementing new requirements where the FATF Recommendations have changed since the MER was adopted (R.2, R.8, R.18 and R.21). This takes into consideration progress made, at the 1st enhanced follow-up report (R.5 and R.7).

3.1. Progress to address technical compliance deficiencies identified in the MER

7. The Isle of Man has made progress to address the technical compliance deficiencies identified in the MER. This progress was most notably achieved through a new Anti-Money Laundering and Countering the Financing of Terrorism Code 2019 (2019 AML/CFT Code) which entered into force on 1 June 2019. As a result of this progress, the Isle of Man has been re-rated on Recommendations 11, 12, 17 and 25.

Recommendation 11 (Originally rated LC – re-rated as C)

8. In its 5th Round MER, the Isle of Man was rated LC with R.11, based on the deficiency that accounts files, business correspondence, and results of analysis undertaken were not in all cases required to be kept for at least 5 years following the termination of a business relationship or after the date of an occasional transaction.

9. The provisions on record keeping stipulated in sections 33-34 of the 2019 AML/CFT Code now require a Relevant Person³ to maintain all types of information regarding business relationships and occasional transactions for a period of 5 years.

10. The Isle of Man has addressed the above deficiency under c.11.2. Therefore, R.11 is re-rated as C.

Recommendation 12 (Originally rated LC – re-rated as C)

11. In its 5th Round MER, the Isle of Man was rated LC with R.12, based on the absence of a

³ According to section 3 of the AML/CFT Code 2019, the term “**Relevant Person**” means a person carrying on business in the regulated sector which is included in paragraphs 2(6)(a) to (t) of Schedule 4 to the Proceeds of Crime Act 2008.

requirement to determine whether the beneficial owner of a beneficiary of a life policy that is not an individual is a politically exposed person (PEP).

12. Section 14(1)(d) of the 2019 AML/CFT Code in relation to a life assurance policy requires a Relevant Person to establish, record, maintain and operate appropriate procedures and controls for the purpose of determining whether the beneficiary and any beneficial owner of the beneficiary is, or subsequently becomes, a PEP. In accordance with section 12(1) and (8-9), the aforementioned requirements are to be applied before making any payment or loan.

13. The Isle of Man has addressed the above deficiency under c.12.4. Therefore, R.12 is re-rated as C.

Recommendation 17 (Originally rated LC – re-rated as C)

14. In its 5th Round MER, the Isle of Man was rated LC with R.17, since - as noted under c.17.1(c) - reliance could be placed on a group third party that was not regulated, supervised or monitored.

15. Amendments have been made to the reliance regime. Reliance on third parties (“eligible introducer”), which is regulated under the provisions of sections 3 and 19 of the 2019 AML/CFT Code, is now restricted to third parties which are bodies corporate in the same group with the Relevant Person. It is required that the group have in place AML/CFT programmes and procedures (which include customer due diligence (CDD) and record-keeping requirements), and the implementation of these programmes and procedures be supervised at group level by a competent authority.

16. Under the new reliance regime, the safeguards under c.17.1(c) are therefore indirectly captured by the provisions implementing c.17.3, for which the Isle of Man was originally rated “Met” in the 5th Round MER. The Rapporteur team is satisfied that the provisions of the 2019 AML/CFT Code continue to meet the requirements of c. 17.3.

17. The Isle of Man has addressed the deficiency under c. 17.1(c). Therefore, R.17 is re-rated as C.

Recommendation 23 (Originally rated LC – no re-rating)

18. In its 5th Round MER, the Isle of Man was rated PC with R.23 based on the deficiencies identified under R.18 and R.21. In particular, with respect to all designated non-financial business and professions (DNFBPs), there was no requirement to: appoint a compliance officer at management level; have an independent audit function to test the system; have group-wide programmes against ML/FT (for groups); and apply appropriate additional measures to mitigate the ML/FT risks where a branch or subsidiary is prevented by law from applying the necessary CDD measures. Additionally, tipping-off offences were too narrowly set. With respect to online gambling operators, in addition to the aforementioned, there were no requirements for policies and procedures covering employee screening or on-going training having regard to ML/FT risks or size of operator; and there were no measures in place to actively advise licence holders of any concerns of AML/CFT weakness of other countries.

19. As noted in the analysis of the 1st enhanced follow-up report, concrete progress was made in relation to online gambling operators: i.e. a mechanism was developed to actively advise licence holders of any concerns in relation to the AML/CFT weakness of other countries.

20. With respect to the requirement for DNFBPs (except for online gambling operators) to appoint a compliance officer at a managerial level, the Isle of Man introduced section 30(3) in the 2019 AML/CFT Code. This requires that a suitable person, responsible for certain specified functions (including those of a compliance officer), be appointed at managerial level.

21. With respect to online gambling operators, the same requirement is set out under section 25 of the 2019 Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code. An operator must appoint a suitable person as an “AML/CFT Compliance Officer”. The AML/CFT Compliance Officer should be sufficiently senior within the organisation or have sufficient experience or authority. However, the requirement may be interpreted as permitting operators to appoint a person who has sufficient experience but not necessarily the required seniority or authority within the organisation, which constitutes a gap.

22. There are still no provisions, either in the 2019 AML/CFT Code or the 2019 Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code, requiring DNFBPs and the online gambling operator, respectively, to have an independent audit function to test the system.

23. With respect to the deficiency related to the requirement to have AML/CFT group-wide programmes, no progress was made in regard to the DNFBPs (except for the online gambling operator), since the provisions of the 2019 AML/CFT Code only extend to financial institutions.

24. While pursuant to section 31(1) of the 2019 Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code, a gambling group should have group-wide AML/CFT programmes, which are applicable to all branches and subsidiaries of the group, the elements provided in c.18.2 (a)-(c) are not covered.

25. Regarding the requirements relating to branches or majority-owned subsidiaries, identical provisions have been introduced under section 37 of the 2019 AML/CFT Code 2019, and section 31(2)-(4) of the 2019 Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code, for DNFBPs and the online gambling operator, respectively. These provisions appear to require the application of appropriate additional measures to manage the ML/FT risks only to the extent permitted by the host country. This differs slightly from the requirement under c.18.3, which refers to the application of additional measures when the host country does not permit the proper implementation of the AML/CFT measures consistent with the home country requirements.

26. The requirements for the gambling sector to have policies and procedures covering employee screening or on-going training, having regard to ML/FT risks or size of the operator, which are stipulated under section 4(2)(a-b) and sections 26-27 of the 2019 Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code, address the deficiency noted in the MER.

27. The Isle of Man reported that amendments have been drafted to remedy the deficiencies related to the tipping-off offences. However, these amendments remain in draft form and are therefore not enforceable.

28. Some of the deficiencies identified in the 5th Round MER have been addressed. However, some shortcomings still remain. R.23 therefore remains PC.

Recommendation 25 (Originally rated PC – re-rated as C)

29. In its 5th Round MER, the Isle of Man was rated PC with R.25, based on the following deficiencies: there was no explicit requirement placed on the trustee of an express trust governed by Manx law where the trustee was resident outside the Isle of Man or a non-professional trustee resident in the Isle of Man, to obtain and hold information in line with c.25.1; record-keeping requirements did not apply to professional trustees resident outside the Isle of Man; not all trustees were required to disclose their status when entering into a business relationship or carrying out a one-off transaction; there was no explicit requirement on trust and company service providers (TCSPs) subject to the AML/CFT Code to obtain information on classes of beneficiaries; there was no explicit requirement for trustees to hold basic information on regulated agents of, and service providers to, a trust; the common law duty of confidentiality was deemed to prevent a trustee from providing information to a financial institution (FI) or DNFBP; and the range of sanctions that could be applied by the Financial Intelligence Unit (FIU) and law enforcement authorities for failing to grant competent authorities timely access to information was not considered to be proportionate.

30. At the time of the 1st enhanced follow-up report, the Isle of Man indicated that the relevant legislation was being revised to address all deficiencies noted in the MER. These amendments have now been brought into force by the adoption of the 2018 AML/CFT (Unregulated Trustees) Code and the 2019 AML/CFT Code.

31. Sections 5-7 of the 2018 AML/CFT (Unregulated Trustees) Code set out requirements for foreign trustees (professional trustees that are resident outside the Isle of Man) and resident non-professional trustees to obtain and hold adequate, accurate and current information in line with c.25.1. Data is to be updated on a timely basis and maintained for 5 years from the completion of the transaction or the business relationship.

32. In accordance with section 12(3)(a)(iii) of the 2019 AML/CFT Code, the TCSPs subject to the AML/CFT Code are required to obtain information on classes of beneficiaries.

33. In line with section 41(5)(7) of the 2019 AML/CFT Code, professional trustees are required to maintain basic information on regulated agents of, and service providers to, a trust. Similar provisions are set out in section 5(3) of the 2018 AML/CFT (Unregulated Trustees) Code.

34. Pursuant to section 41(6) of the 2019 AML/CFT Code, a regulated trustee must disclose its status when entering into a business relationship or carrying out an occasional transaction with a regulated person or a designated business. In accordance with section 8 of the 2018 AML/CFT (Unregulated Trustees) Code, an unregulated trustee must also disclose the fact that he/she acts as a trustee when engaging with a financial institution or a designated non-financial business or profession.

35. According to section 41 of the 2019 AML/CFT Code, a regulated trustee may disclose information, including on the beneficial ownership and the assets of the trust, to the competent authorities, regulated persons or designated businesses. The power to disclose information has effect despite any confidentiality obligation imposed by statute, common law, contract or otherwise. Similar provisions are set out under section 9 of the 2018 AML/CFT (Unregulated Trustees) Code. These provisions address the deficiency noted in the MER.

36. Part 4 of the AML and Other Financial Crime (Miscellaneous Amendments) Act 2018, which amends Schedule 6 of the Anti-Terrorism and Crime Act 2003, section 20 of the FIU Act 2016, and

section 163A and section 176 of the Proceeds of Crime Act 2008 extends the range of sanctions, including for offences committed by legal persons.

37. The Isle of Man has addressed the deficiencies under c. 25.1, c. 25.2, c. 25.3, c. 25.4 and c. 25.8. R.25 is therefore re-rated as C.

3.2. Progress on Recommendations which have changed since adoption of the MER

38. Since the adoption of the Isle of Man's MER, the FATF has amended R.2, R.5, R.7, R.8, R.18 and R.21. This section considers the Isle of Man's compliance with the new requirements and progress in addressing deficiencies identified in the MER in relation to these Recommendations, where applicable. Taking into account the progress demonstrated with respect to R.5 and R.7, as analysed in the 1st enhanced follow-up report, the current report considers the progress made by the Isle of Man to comply with R.8, R.18 and R.21, and will assess the compliance with the revised and new elements of R.2.

Recommendation 2 (Originally rated C)

39. In October 2018, R.2 was amended to include information sharing between competent authorities, and to emphasise that cooperation and cooperation should include coordination with the relevant authorities to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules and other similar provisions (e.g. data security/localisation). These changes were also reflected in c.2.3 and c.2.5 of the 2013 Methodology, respectively.

40. Since the analysis of R.2 in the 5th Round MER noted that the existing mechanisms enable the respective competent authorities to exchange information at both policy-making and operational levels, and there has not been a change in this respect since the adoption of the MER, the Isle of Man continues to meet c.2.3 even after its amendment.

41. With regard to the new c.2.5, it should be noted that the EU General Data Protection Regulation (GDPR) and the Law Enforcement Directive are applied to the Isle of Man by virtue of application orders and implementing regulations made under the Data Protection Act 2018. These provide an overall responsibility for the handling, storage and exchange of data on the Isle of Man entities, including government departments. Such responsibility applies irrespective of whether data are exchanged on an informal or formal basis.

42. All statutory gateways and MOUs in place between the relevant authorities have built into them requirements concerning the use, security, and restrictions on the further dissemination of data exchanged between the entities. These were verified on the basis of an example of a template provided to the Rapporteurs team for the data sharing agreement between the Isle of Man Cabinet Office and the FIU.

43. In addition, the authorities provided an example of a Data Protection Impact Assessment form that is used every time a project is to be launched which has a data protection element to it (such as drafting new AML/CFT legislation). Such a form has to be submitted to the data protection authorities by the relevant authorities' Data Protection Officer (see below).

44. Every relevant authority is provided with a trained Data Protection Officer, who acts as a buffer between the data protection authority and the relevant authority. These Data Protection Officers provide advice to staff and make report to the main data protection authority if any breaches or

issues occur. They also coordinate any response to a data access request. Moreover, training on the GDPR requirements is provided to all staff in the relevant authorities.

45. Respective exclusions apply to data for law enforcement purposes and as required by statute.

46. **On the basis of the above, R.2 remains C.**

Recommendation 8 (Originally rated LC – no re-rating)

47. The Methodology for assessing R.8 was extensively revised in October 2016.

48. As noted in the analysis of the 1st enhanced follow-up report, the Isle of Man took a number of measures to comply with the revised standards. In particular, in 2018, the Isle of Man updated its analysis of the Non-profit organisations (NPOs) sector, focusing on charities. In light of the threats identified, the adequacy of measures applying to the NPO sector was reviewed. The subset of at-risk NPOs was defined: a “Specified NPO” (SNPO) is a body corporate or other legal person, the trustees of a trust, a partnership, other unincorporated association or organisation or any equivalent or similar structure or arrangement, established solely or primarily to raise or distribute funds for charitable, religious, cultural, educational, political, social or fraternal purposes with the intention of benefiting the public or a section of the public and which has (a) an annual or anticipated annual income of GBP 5,000 or more; and (b) remitted, or is anticipated to remit, at least 30% of its income in any one financial year to one or more ultimate recipients in or from one or more higher risk jurisdictions (Schedule 4 to the Proceeds of Crime Act 2008).

49. The promotion of accountability, integrity and public confidence in the administration and management of NPOs is reflected in legislation and guidance. The Isle of Man Financial Services Authority (IOMFSA) conducts outreach to SNPOs. Guidance was developed in consultation with NPOs. SNPOs have to comply with a number of obligations, including registration, know your customer (KYC) (“customers” being understood as beneficiaries and partners), identification of donors and transaction record-keeping. The IOMFSA monitors SNPOs for compliance with those requirements, including through periodic inspections. The AML/CFT Code provides for penalties for SNPOs failing to comply with reporting requirements. Relevant domestic and international cooperation mechanisms appear to be broadly in place.

50. Since the 1st enhanced follow-up report, the Isle of Man reported no new developments with respect to the revised c.8.1(a).

51. With respect to the revised c.8.2(b), the authorities have conducted new outreach activity in 2019, reaching out to SNPOs and individual charities. In particular, the IOMFSA met and discussed with the SNPOs the risks they encounter and the measures they could take in order to protect themselves against their potential vulnerabilities. The FIU has been contacted by 1 (out of 3 identified SNPOs in the Isle of Man) for a discussion about their ML/FT risks. All of these 3 SNPOs are registered on “Themis”, the FIU’s IT system for making disclosures. Hence they receive advisory notices or other information sent out by the FIU.

52. With respect to revised c.8.2(d), the Isle of Man encourages the SNPOs to conduct transactions via regulated financial channels where feasible, explaining the reasons for this during the meetings with the sector representatives and when conducting oversight. However, there is no legal requirement or public policy paper which would encourage NPOs to conduct their transactions via regulated financial channels.

53. Minor gaps remain under c.8.1 (identification of the NPOs meeting the FATF definition), c.8.2(b) (outreach or educational programs targeting the donor community), and c.8.2(d) (encouragement to conduct transactions via regulated financial channels). **Therefore, R.8 remains LC.**

Recommendation 18 (Originally rated LC – no re-rating)

54. The Methodology for assessing R.18 was amended in February 2018 to clarify the requirements on sharing of information related to unusual or suspicious transactions within financial groups.

55. The MER found the following deficiencies in relation to R.18: not all FIs were required to appoint a compliance officer at management level or to have an independent audit function; there was no specific requirement for groups to have group-wide programmes against ML/FT; and there was no requirement to apply additional measures to mitigate ML/FT risks where a branch or subsidiary is prevented by law from applying necessary CDD measures.

56. As noted in the analysis of the 1st enhanced follow-up report, the Isle of Man was in the process of amending the AML/CFT Code to address the issues identified in the MER. With the adoption of the 2019 AML/CFT Code, the Isle of Man has sought to address some of the deficiencies, as discussed below.

57. The requirement for FIs to appoint a compliance officer at the management level was introduced under section 30(3) of the 2019 AML/CFT Code. This provision requires that a suitable person, responsible for certain specified functions (including those of a compliance officer), be appointed at managerial level.

58. In accordance with section 36 of the 2019 AML/CFT Code, financial groups are required to have group-wide AML/CFT programmes. Most of the elements in c.18.2 (a)-(c) are covered under these provisions. Nevertheless, it seems that these provisions do not apply to all types of FIs, being limited to Relevant Persons licensed under Class 1 (deposit taking) and Class 2 (investment business) of the Regulated Activities Order or insurers. There is also no legislation in place to implement the revised provisions of c.18.2(b) on the sharing of information related to unusual or suspicious transactions within financial groups. While the authorities stated that this will be covered in the revised AML/CFT Handbook, the deficiency remains since the latter is not an “enforceable means”.

59. With respect to the new provisions of c.18.2(c), the authorities explained that the requirement to have a group-wide programme includes the requirement to train staff on tipping-off. However, there is no explicit provision in the legislation to require the inclusion of any safeguards to prevent tipping-off in group-wide AML/CFT programmes.

60. The requirement under c.18.3 to apply additional measures to mitigate ML/FT risks where a branch or subsidiary is prevented by law from applying necessary CDD measures has not yet been implemented.

61. While some deficiencies identified in the 5th Round MER have been addressed, other minor deficiencies remain. Therefore, R.18 remains LC.

Recommendation 21 (Originally rated LC – no re-rating)

62. The Methodology for assessing R.21 was amended in February 2018 to clarify the interaction between the tipping-off provisions and the revised requirements on information sharing within

financial groups (R.18).

63. The MER noted that the tipping-off prohibition set out under the Proceeds of Crime Act 2008 was insufficiently broad as it only applied if the disclosure to third parties is “likely to prejudice any investigation that might be conducted” following the disclosure to the FIU.

64. As noted in the analysis of the 1st enhanced follow-up report, the FIU Regulations 2018(Tipping Off), which came into operation on 1 March 2018, have not removed that condition for the prohibition to apply. The Isle of Man indicated that this deficiency will be addressed through future amendments. **Therefore, R.21 remains as LC.**

IV. CONCLUSION

65. Overall, the Isle of Man has made progress in addressing the TC deficiencies identified in its 5thRound MER and has been re-rated on 4 Recommendations (all upgrades). Recommendation 25, initially rated as PC, is re-rated as C. Recommendations 11,12, and 17, initially rated as LC, are re-rated as C. Further steps have been taken to improve compliance with Recommendation 23, but moderate deficiencies remain.

66. With regard to the Recommendations revised since the on-site visit, the Isle of Man remains rated C with Recommendation 2. Despite steps having been taken to improve compliance with Recommendations 8, 18 and 21, these remain rated as LC.

67. The Isle of Man is encouraged to continue its efforts to address the remaining deficiencies.

68. Overall, in light of the progress made by the Isle of Man since its MER was adopted, its technical compliance with the FATF Recommendations has been re-rated as follows:

Table 2. Technical compliance with re-ratings, July 2019

| | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|
| R 1 | R 2 | R 3 | R 4 | R 5 | R 6 | R 7 | R 8 | R 9 | R 10 |
| LC | C | C | LC | C | C | LC | LC | C | LC |
| R 11 | R 12 | R 13 | R 14 | R 15 | R 16 | R 17 | R 18 | R 19 | R 20 |
| C | C | C | LC | C | C | C | LC | C | C |
| R 21 | R 22 | R 23 | R 24 | R 25 | R 26 | R 27 | R 28 | R 29 | R 30 |
| LC | LC | PC | LC | C | LC | LC | LC | C | C |
| R 31 | R 32 | R 33 | R 34 | R 35 | R 36 | R 37 | R 38 | R 39 | R 40 |
| C | C | C | LC | LC | LC | LC | LC | C | LC |

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

69. The Isle of Man will remain in enhanced follow-up, and will continue to report back to MONEYVAL on progress to strengthen its implementation of AML/CFT measures. The Isle of Man is expected to report back to the Plenary within one year.

GLOSSARY OF ACRONYMS

| | |
|--------|---|
| AML | Anti-money laundering |
| C | Compliant |
| CDD | Customer due diligence |
| CFT | Countering the financing of terrorism |
| DNFBP | Designated non-financial business and professions |
| FI | Financial institution |
| FIU | Financial Intelligence Unit |
| FT | Financing of terrorism |
| GDPR | General Data Protection Regulation |
| IOMFSA | Isle of Man Financial Services Authority |
| KYC | Know your customer |
| LC | Largely compliant |
| MER | Mutual Evaluation Report |
| ML | Money laundering |
| MoU | Memorandum of Understanding |
| NPOs | Non-profit organisations |
| PC | Partially compliant |
| PEP | Politically exposed person |
| R. | Recommendation |
| SNPO | Specified NPO |
| TC | Technical compliance |
| TCSP | Trust and Company Service Provider |

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July 2019

Anti-money laundering and counter-terrorist financing measures - **Isle of Man**

2nd Enhanced Follow-up Report & Technical Compliance Re-Rating

The Summary Report in Annex A of the 2nd enhanced follow-up report on Isle of Man proposes re-ratings for four Recommendations (Recommendations 11, 12, 17 and 25).

In accordance with Rule 21, paragraph 7 of MONEYVAL's Rules of Procedure, this Summary Report consists of an independent analysis by the Secretariat on the basis of the desk-based review undertaken by the Rapporteur Teams.