



**Isle of Man**  
**Government**  
*Reiltys Ellan Vannin*

# Financial Crime Strategy 2017 - 2020

---

REVIEW OF OUTCOMES – JUNE 2021

CABINET OFFICE  
ISLE OF MAN GOVERNMENT

## Contents

Introduction .....	2
Summary of Performance against Priority Objectives .....	2
Financial Crime Strategy 2021-23 .....	3
Conclusion .....	4
Tables of Priorities and Actions Taken – Appendix I .....	5

## Introduction

As an international centre for quality business and finance, the Isle of Man (IoM) Government recognises the risks posed by trans-national financial crime, in particular the threat of money laundering. In March 2016, the IoM Government published its first national strategy for combatting Money Laundering (ML) and Terrorist Financing (TF).

In June 2017, following an in-depth international evaluation by the monitoring body MONEYVAL<sup>1</sup> the IoM published a revised and updated national strategy that included measures aimed at addressing recommendations in the MONEYVAL report. This Financial Crime Strategy 2017-2020 was underpinned by four priority objectives:

- Understanding the money laundering and financing of terrorism threat, risks and harm facing the IoM;
- Ensuring that the IoM is a hostile jurisdiction for money laundering and terrorist financing;
- Pro-actively identifying and pursuing offenders and;
- Taking the benefit out of crime.

Each priority objective identified a number of recommended actions needed address issues that had been highlighted in the MONEYVAL report of 2016 and from the Island's own National Risk Assessment of Money Laundering and Terrorist Financing 2015.

This report looks at the recommended actions from the Financial Crime Strategy 2017-2020 and the outcomes achieved against each one.

It should also be noted that the IoM Government published a MONEYVAL - Review of Progress Report in 2020. The report looked specifically at progress against the MONEYVAL Mutual Evaluation Report and concluded that 92% of the issues identified by MONEYVAL concerning the technical framework had been addressed and 98% of the recommendations regarding effectiveness<sup>2</sup>.

The IoM is now fully Compliant or Largely Compliant with 39 out of the 40 Financial Action Task Force (FATF) Recommendations.

## Summary of Performance against Priority Objectives

The Financial Crime Strategy 2017-2020 has a total of 42 actions. Overall performance is summarised below;

---

<sup>1</sup> MONEYVAL a Committee of the Council of Europe which is responsible for monitoring and reporting upon efforts by its members to tackle money laundering and terrorist financing and financing the weapons of mass-destruction.

<sup>2</sup> The mutual evaluation process consists of two parts, technical compliance which is measured against the 40 FATF recommendations and the effectiveness with which a country implements its AML/CFT framework.

<b>Priority Objective</b>	<b>Actions</b>	<b>Completed</b>	<b>Ongoing</b>	<b>Not Applicable</b>
Understanding ML and TF threat, risks and harm facing the IoM	12	12	-	
Ensuring the IoM is a hostile jurisdiction for ML and TF	11	6	5	
Pro-actively identifying and pursuing offenders	12	3	8	1 <sup>3</sup>
Taking the benefit out of crime	7	5	2	
<b>Totals</b>	<b>42</b>	<b>28</b>	<b>13</b>	<b>1</b>

Appendix I – Tables of Priorities and Actions Taken, explains the progress made against each action and the outcomes to date. In a number of areas, work is continuing.

Pursuing and prosecuting offenders is a core objective of the Strategy. Notwithstanding increased focus on the part of the IoM authorities, this continues to be the most challenging area, with the ability to obtain evidence from foreign jurisdictions in a timely manner in order to progress investigations proving especially problematic. The Economic Crime Unit, working with agencies both on and off-Island, is continuing its efforts to bring forwards for prosecution matters concerning foreign predicate offending. This includes a small number of very large and complex cases.

Delivering improvements to data on law enforcement activities in respect of ML and TF will also be a continuing area of work. Although significant improvements have been made, the robustness of the data collected is currently being tested against international requirements. The findings of this work will inform further improvements to data collection over the coming year and help to identify areas in the Island’s anti-money laundering effort which require further attention.

Improving the availability of company information is another action that is identified as ongoing. However, two Acts that deliver improvements to the availability of company information, the Company (Amendment) Act 2021 and the Beneficial Ownership (Amendment) Act 2021, received Royal Assent in June 2021.

## Financial Crime Strategy 2021-23

Ongoing actions from the 2017-2020 Strategy have been carried forward into a new Financial Crime Strategy, which has been adopted by the Council of Ministers. These include the following areas of work;

---

<sup>3</sup> This action was to ‘*Review and improve strategies for identifying and addressing cases of cybercrime*’. Cybercrime is now the responsible of the Office of Cyber-Security & Information Assurance (OCSIA) which was established in 2017 by a Council of Ministers Directive.

- Undertaking detailed analysis of the data now available [on ML and TF] and seeking to expand upon that data where required.
- Effectively prosecuting ML and TF and confiscating the proceeds of crime.
- Reviewing and modernising aspects of the Proceeds of Crime Act 2008.
- Identifying, investing in and implementing specialist training to support intelligence gathering, analysis, investigation, prosecution and asset recovery including awareness and use of new technologies and innovative tools and techniques.
- Ensuring that knowledge and awareness of Anti-Money Laundering (AML) is embedded within the IoM Government using a variety of approaches.
- Establishing a programme of work aimed at raising knowledge and awareness of international and domestic bribery and corruption and identification of measures that can help address these threats.

The Financial Crime Strategy 2021-23, comprises of 3 over-arching objectives, to focus on; new and existing ML threats; on knowledge and the development of skills; and to maintain a high level of compliance with the FATF and other relevant standards and deliver on international commitments regarding beneficial ownership.

The Financial Crime Strategy, is available on the Cabinet Office webpage. It has 22 specific actions and identifies measures that will be applied to assess whether or not these actions have been successfully met.

## Conclusion

The detailed review, outlined in detail in Appendix 1, shows steady progress made across each of the 4 priority objectives, in particular with the nature and level of key data now available to the authorities to inform threat analysis and the success of the Asset Recovery Unit which has used a wide range of the powers available to it with good effect.

Asset recovery, which fully reflects the risk profile of the IoM (that is activities linked to money laundering, corruption and tax evasion) and the successful prosecution of offenders engaged in these activities, whether foreign or domestic, continues to be challenging however and these are areas for further focus over the next period.

Other notable achievements for the period include high levels of proactive work by the Financial Intelligence Unit, which has undertaken regular engagement with industry, using a wide variety of methods. The drafting and introduction of completely new Anti-Money Laundering Codes<sup>4</sup> and accompanying guidance for industry by the Regulators was another notable success. Furthermore, the IoM Financial Services Authority (IOMFSA) has demonstrated determination in using its enforcement powers, as applicable, to deter and where appropriate sanction regulatory and AML/CFT failures. Also, during the period the IOMFSA has been successfully collecting a

---

<sup>4</sup> There are now 3 Codes; the Anti-Money Laundering and Countering the Financing of Terrorism Code 2019; the Gambling Anti-Money Laundering and Countering the Financing of Terrorism Code 2019 and; the Non-Profit Organisations Anti-Money Laundering and Countering the Financing of Terrorism Code 2019.

range of AML/CFT data from licenceholders, including data on financial flows. This data is being used to understand the inherent risks that firms and sectors may pose and informs the supervisory approach using a risk based approach.

Finally, the outbreak of the COVID-19 pandemic has undoubtedly impacted on the successful completion of some of the actions in the Strategy. Since 2020 all of the authorities have adapted to new ways of working in order to continue to deliver their functions effectively and to respond to the emerging threats created by the pandemic.

[Tables of Priorities and Actions Taken – Appendix I](#)

**Priority Objective 1**

**Understanding the Money Laundering and Financing of Terrorism Threat, risks and harm facing the Isle of Man.**

Requirement	What has been delivered	Status
<p>Obtain fuller aggregate data on the volume and destination of outgoing and incoming flows of funds in the financial sector with particular emphasis on high risk jurisdictions linked to the financing of terrorism, terrorist groups or individual terrorists.</p>	<p>The IOMFSA now collects quarterly outgoing and incoming financial flow data from banks in the IoM. The aggregated data identifies where financial flows are received from and sent to. This information is shared with the FIU for analysis of cross-border threat, with particular focus being given to high-risk jurisdictions. Financial flow information and SAR data gives a comparison into the activity of the banks with high-risk jurisdictions and the levels of reporting suspicious activity. The FIU is and will continue to, work with partner agencies and industry to better understand the nature and origin of these financial flows and to identify any associated risks for the IoM.</p>	<p>Completed</p>
<p>Conduct a reassessment of areas which would benefit from more comprehensive statistics on the volume and destination of financial flows, mainly cross border ML and TF threats.</p>	<p>The aggregated results are used as part of the IOMFSA’s high-level inherent risk assessment of financial crime. The IOMFSA are undertaking a supervisory approach project and financial flow information will be incorporated into this and used as part of more detailed risk assessments. The data provided from banks will also be moved into the new data warehouse being developed. This will enable more automation of thresholds to flag trends and movements, which can then be used to query with banks in more “real time” as opposed to the current, more manually intensive process. The data has also been used for focusing a recent AML/CFT inspection at a bank. This a mechanism the Authority hope to expand on with other banks going forward.</p> <p>The FIU will also use financial flow data in conjunction with the intelligence held on their internal SAR database and reports from NPO’s such as Transparency International to identify cross border ML/TF threats and bring focus on high-risk countries for predicate offences such as Bribery and Corruption, People Trafficking and Illegal Wildlife Trade.</p>	<p>Completed</p>
<p>Obtain fuller aggregate data on where the beneficial owners of assets managed or funds held in the Isle of Man are from and also obtain aggregate data from licenced and registered entities which can better inform the threat assessment for the Isle of Man.</p>	<p>The annual AML/CFT Statistical Data Return submitted to the IOMFSA by its licenceholders and registered entities, now includes beneficial ownership information from all respondees, including Designated Non-Financial Business and Professions (DNFBPs). Using the financial flow information obtained, the IOMFSA is encouraging licenceholders to use the data as an additional source of information to inform and manage AML/CFT risks. Recently the IOMFSA has recently published sector reports highlighting inherent risks and trends across different sectors. The FIU will also use</p>	<p>Completed</p>

	the data to inform the analysis of information held internally and available through open source to compare with high risk jurisdictions, in order to assess the threat of UBOs abusing the IoM's financial system.	
Continue developments to the SAR regime ensuring that the quality of online submissions is improved, that the online (THEMIS) system is upgraded as required, and that all sectors are aware of their obligations and are registered with the FIU for the purposes of submitting SARs.	The FIU undertakes numerous outreach programmes with financial institutions (FIs) and DNFBPs to enhance the quality of SAR reporting. The FIU also regularly meet with the IOM Bankers Association regarding SAR issues and liaise with the IOMFSA and GSC concerning licenceholder requirements.	Completed
Provide regular detailed information and current strategic analysis of emerging trends, methods and typologies.	The FIU regularly publish typologies and strategic analysis on emerging trends and methods of money laundering. Published reports include; industry guidance on suspicious activity reports and good practice, money laundering, terrorist financing and most recently, an assessment of the money laundering risks posed to the Island resulting from the COVID-19 pandemic.	Completed
Continue to invest in the development of the FIU in respect of people, IT and training.	Following its establishment as a standalone entity in 2016, the FIU has received significant investment. Just over £1.7million has been spent in terms of staff, technology and training to further enhance the FIU's capability to receive, analyse and disseminate financial intelligence. The FIU strongly encourage all specialist staff to undertake a professional qualification in AML/CFT with a leading international body, who specialise in global regulatory compliance and financial crime. 11 staff members have successfully completed the Diploma level programme to date.	Completed
Improve the level of analysis by the FIU of information and data received and the dissemination of intelligence to relevant authorities.	The FIU has considerably increased the amount of information disseminated since its formation in 2016 and actively works with law enforcement agencies to continuously improve the standard of intelligence disseminated.	Completed
Harvest intelligence from incoming requests for mutual legal assistance (MLA).	The International Co-operation and Asset Recovery Team (ICART) was established in 2016 and significant investment and resources have been allocated to enable proactive restraint, investigation and confiscation. The ICART refer all MLA requests to the FIU who harvest the intelligence from international requests and their resulting evidence.	Completed
Review the specific elements of the NRA identified by the MER during 2017	Where the MER identified specific points in respect of the 2015 NRA, actions were incorporated into the 2017 Strategy and the outcomes are reflected in this document. For example, the NRA 2015 highlighted a gap in industry awareness of the risks presented by trade based money laundering and trade based financial crime. The FIU, as part of their robust outreach programme, has delivered	Completed



	<p>specific training to industry and government departments, in this area. The FIU also publish typologies and strategic analysis of emerging trends and methods of ML as a result of the findings of the 2015 NRA.</p>	
<p>Develop and maintain annual threat assessments for the Isle of Man.</p>	<p>The Cabinet Office co-ordinated a full reassessment of the ML &amp; TF risks and vulnerabilities posed to the Island between 2018 and 2020. The findings are included in the 2020 NRA. The FIU conducts regular threat assessments.</p>	<p>Completed</p>
<p>Conduct a review of cases to better understand the risk where legal persons and trusts established under Isle of Man law may have been used to disguise ownership or to launder the proceeds of crime.</p>	<p>Law enforcement agencies (LEAs) meet regularly through the Joint Tasking and Co-ordination Group to share intelligence and discuss cases where there is sufficient material to support an investigation. The Joint Group provides a forum for LEAs to work collectively to address serious crime, prioritise the national response to specific cases and facilitate more effective, working practices between partner agencies. However, further work is needed to deliver an increase in the number of cases being adopted as ML investigations and, in particular, the number of ML cases going forward for prosecution.</p> <p>In 2017, the Isle of Man Government introduced a central register of beneficial owners for legal persons (companies) and has since committed to make the register accessible to the public in 2023 thereby increasing transparency. The FIU has also undertaken work in this specific area, issuing a related typologies report.</p>	<p>Completed</p>
<p>Conduct a review of the implications concerning the development and growth of convertible digital currency.</p>	<p>The Isle of Man has been an early mover in providing a sound regulatory framework for convertible digital currency and digital technology. All Virtual Asset Service Providers (VASPs) operating in or from the IoM, are captured under Schedule 4 of the POCA and must meet the requirements of the AML/CFT Code 2019 as a DNFBP registered person. This includes changes in governance requirements for virtual currency, requiring two directors to be resident in the IOM.</p> <p>Following the adoption of new AML/CFT legislation in 2019, both the IOMFSA and GSC have drafted specific guidance concerning both VASPs and for virtual currencies in respect of gambling. The guidance, which focuses on the inherent risks of the sector, is to be published in early 2021 and then periodically updated in line with global technological and regulatory developments.</p>	<p>Completed</p>

## Priority Objective 2

### Ensuring that the Isle of Man is a hostile jurisdiction for Money Laundering and the Financing of Terrorism

Requirement	What has been delivered	Status
Develop and introduce new or additional legislation and guidance for industry in areas identified by the MER and provide relevant outreach.	Significant strengthening of AML/CFT primary and secondary legislation has been undertaken, including the introduction of three new AML/CFT Codes; the AML/CFT Code 2019; the Specified Non-Profit Organisation (SNPO) AML/CFT Code 2019 and the Gambling AML/CFT Code 2019. The IOMFSA and GSC have drafted respective AML/CFT Code guidance documents, due to be published in full in Spring 2021. The IOMFSA has already introduced standalone and sector specific guidance for license holders.	Completed
Continue to deliver the oversight regime for DNFBPs with supervisory visits, prioritised on a risk-based approach.	The IOMFSA now collects AML/CFT statistical data from DNFBPs annually. This new data will further enhance the Authority's understanding of the sector and help provide a sound basis to inform risk based supervision. Although there has been considerable disruption to IOMFSA's supervisory programme due to the global COVID19 pandemic, the data is now there to inform and prioritise inspections on a risk-based approach.	Ongoing
Appropriately utilise regulatory sanctions and enforcement powers in respect of entities and individuals who fail to meet their AML/CFT obligations (e.g. fining; issuing public warnings).	<p>The IOMFSA continues to use the full complement of its sanctioning powers as and when required. In June 2019, the AML/CFT (Civil Penalties) Regulations 2019 came into force, enhancing the range of sanctioning powers available to the IOMFSA in relation to AML failings. Guidance on the civil penalty regime was also published in October 2019.</p> <p>The IOMFSA has dealt with a significant number of enforcement cases following the publication of the Island's mutual evaluation report in December 2016. This includes a number of discretionary civil penalties imposed by the Authority to various licenceholders, which relate to contraventions of the AML/CFT Code as well as regulatory failings. Enforcement actions include the issuing of penalties totalling more than £350,000 and the disqualification of 13 officers under the Company Officers (Disqualification) Act 2009. In a number of instances the IOMFSA has used enforcement powers to appoint a reporting professional to a firm to report on matters relating to the affairs of a firm such as customer files, transactions, adequacy of AML/CFT policies and procedures etc. in these instances a report is provided back to the IOMFSA which informs the next steps to be taken.</p>	Completed

<p>Introduce legislation which provides the GSC with a full range of supervisory and enforcement sanctioning powers.</p>	<p>The Gambling (AML/CFT) Act 2018 was enacted on 16 January 2018; the Act provides the GSC additional supervisory and broad sanctioning powers for tackling non-compliance. The GSC made quick use of these powers in early 2018, issuing a direction notice under s18 of the new Act to one of its operators for numerous AML/CFT deficiencies. Also in October 2019, the GSC determined not to re-issue a licence to one of its operators at the 5-year renewal period for various reasons, including poor AML/CFT compliance history.</p>	<p>Completed</p>
<p>Establish the beneficial ownership database, publish guidance and establish a process for monitoring and checking the accuracy of registrations.</p>	<p>The Beneficial Ownership Act 2017 established a centralised database of BO of companies. The IOMFSA has oversight powers in order to inspect, investigate, request information and issue civil penalties, in relation to the BO database. The IOMFSA has also issued specific guidance on the responsibilities of legal entities, legal owners and nominated officers. The Beneficial Ownership (Amendment) Act 2021 which received Royal Assent in June 2021, will also further improve the timeliness and accuracy of information submitted to the database.</p>	<p>Ongoing</p>
<p>Deliver programmes of training and awareness of AML/CFT within Government, structured to meet requirements in respect of the work undertaken and level of responsibility.</p>	<p>AML/CFT is included within IoM Government Financial Regulations and online training packages. Section 8.1 of the Financial Regulations has been amended and the role of 'Designated Finance Officer' updated to include the responsibilities of AML for the Designated Body. Identified finance officers from each department now have MLRO responsibilities and initially begun the required AML training in early 2020 however due to the Island's response to the COVID-19 crisis, the training has been delayed. Further work is to be delivered in 2021.</p>	<p>Ongoing</p>
<p>Continue to raise awareness within industry of the risks presented by trade-based money laundering and trade-based financial crime.</p>	<p>The FIU, as part of their robust outreach programme, has delivered specific training to law enforcement agencies and to industry, raising awareness of the risks presented by trade-based money laundering (TBML) and trade-based financial crime. FATF issued guidance on TBML has also been circulated to all relevant authorities. Further work is planned.</p>	<p>Completed</p>
<p>Fully utilise all methods and opportunities available including outreach, media, and joint Government and industry events to keep industry apprised of new or changing risks.</p>	<p>The Isle of Man Government regularly engages with industry and the wider public via Regulators, Law Enforcement Agencies and the Cabinet Office, through typologies, presentations, webinars, blogs and forums (including the AML Advisory Group), to keep industry apprised of new or evolving risks. Minutes of the AML Advisory Group meetings are also published on the Cabinet Office page of the Government website.</p>	<p>Completed</p>
<p>Develop a cross-Government financial crime prevention programme.</p>	<p>Awareness raising has been taking place via IoM Government Financial Regulations and online training packages. Finance Officers for each Department now have MLRO responsibilities (see above). Further work is to be delivered in 2021.</p>	<p>Ongoing</p>
<p>Seek a greater awareness and understanding of the foreign activities of Isle of Man registered</p>	<p>Aggregate financial flow data indicates that the sectoral categorisation of risk identified in the Island's National Risk Assessment 2020 is consistent with the main financial crime threats to the IoM. These threats arise from the management of foreign funds or businesses that are linked to</p>	<p>Ongoing</p>

companies to provide a fuller threat assessment.	proceeds derived from international ML and foreign predicate offences. AML/CFT legislation and guidance have been significantly strengthened and is used alongside the NRA 2020 to better inform risk assessments for regulated entities and DNFBPs. Further work is being considered.	
Seek to develop further the working relationship between Government authorities, the finance industry and DNFBPs.	The Cabinet Office chairs a quarterly discussion forum between Government authorities and industry professional body representatives. A significant amount of public/industry consultation has also taken place regarding new and amended primary and secondary legislation relating to improving the Island's AML/CFT regime following the MONEYVAL assessment in 2016.	Completed

### Priority Objective 3

#### Pro-actively identifying and pursuing offenders

Requirement	What has been delivered	Status
Ensure that cases dealt with by the Financial Crime Unit better reflect the risk profile of the Isle of Man, in particular in the pursuit of third party international ML.	The Economic Crime Unit (ECU) was established in 2016, as a successor to the Financial Crime Unit. New policies and an operational framework were introduced to reflect the findings of the Island's first National Risk Assessment in respect of foreign predicate offending. The IoM Constabulary Standard Operating Procedures (SOP) sets out the types of investigation to be undertaken by the ECU. A considerable number of the cases investigated by the ECU now relate to foreign predicate offending, variously involving foreign and domestic suspects. However, pursuit specifically of third party international ML (as well as underlying predicate offences) remains an area where further progress is needed.	Ongoing
Provide the police, prosecutors and courts with the resources, people, training and technology to investigate and prosecute financial crime.	Significant investment has taken place in technology, resourcing and training to facilitate financial crime investigation and prosecution. In 2016/17 over £2.2million was invested in order to establish the FIU, ECU and ICART. A further £1.5million has also been allocated to the ECU for new posts and an IT system to modernise record keeping and the interrogation of evidence. The FIU received an additional £93,000 to help improve the depth and scale of investigations and the ICART, £297,000 to establish the unit on a fully permanent basis. Resources across the respective law enforcement agencies have steadily increased. This includes the appointments of two financial crime analysts, specialist forensic accountants and dedicated prosecutorial support. The judiciary has added a number of Panel Deemsters with experience of money laundering and other financial crime related cases.	Completed

<p>Introduce more formalised structures to facilitate cooperation between law enforcement agencies in the Isle of Man.</p>	<p>The Island's formal framework for addressing ML/TF and other financial crime was revised in 2017. A number of existing committees and groups associated with AML/CFT across Isle of Man Government were re-formed and new terms of reference established. The senior expert group, the Financial Crime Strategic Board, is chaired by the Chief Secretary and reports directly into the National Strategy Group, the Island's co-ordinating committee for national policy. The meetings are well represented by all relevant Government authorities.</p> <p>There are several other key groups, which help facilitate cooperation between law enforcement agencies (LEAs), Government departments, Regulators and industry. These include the AML/CFT Technical Group, a multi-Government agency forum for coordination and discussion relating to AML/CFT matters and the AML/CFT Advisory Group, a representative discussion forum designed to strengthen communications and facility cooperation between Government, regulators and industry.</p> <p>LEAs meet regularly through a Joint Action Tasking Co-ordination Group and Financial Crime Law Enforcement Effectiveness Group, which aim to prioritise the national response to specific cases enhancing overall cooperation and enhance overall cooperation and effective working practices between LEAs. The effectiveness of both these groups has and continues to be reviewed with, in the case of the Joint Action Tasking Group, a number of procedural changes being recently introduced to improve effectiveness.</p>	<p>Ongoing</p>
<p>Develop a criminal justice policy for ML investigation and prosecution.</p>	<p>In 2017, the Attorney General's Chambers issued a new Prosecution Policy on Financial Crime. This is used in conjunction with the Prosecution Code, which was published the same year. These two documents set out the specific decision making criteria to be applied when considering the prosecution of financial crime. A review of effectiveness concerning the implementation of these policies will form part of a wider review of the effectiveness of the ML and TF regime which is being undertaken in 2021.</p> <p>The ECU or FCU as it was previously known, a specialist investigatory department within the Isle of Man Constabulary, introduced a new 'Investigation Policy' which sets out the general guidance for the management of ML or associated predicate offence investigations in to serious and complex fraud or TF, in line with the ML risks in the Isle of Man.</p>	<p>Completed</p>
<p>Develop investigative techniques that will assist with proving foreign predicate offences</p>	<p>The ECU has had a significant investment to increase human and technical resources and for training provided by the City of London Police Economic Crime Academy, the lead specialists in fighting financial crime. The ECU has expanded its use of LOR and extradition orders, with new measures</p>	<p>Ongoing</p>

<p>and ensure that the required legal mechanisms are in place to support this approach.</p>	<p>also introduced to provide accredited non-police officers with additional powers in respect of asset recovery and confiscation. Work is ongoing to review the Proceeds of Crime Act 2008, to identify other ways in which measures that will assist with proving foreign predicate offences, can be strengthened. Good progress has been demonstrated in this area, however high level specialised ML investigative training is still required and, on a technical basis, some legal mechanisms still need consideration.</p>	
<p>Explore ways in which company information might be made available more promptly.</p>	<p>The Cabinet Office and the Companies Registry have introduced two amendment Acts that have updated both Company and Beneficial Ownership legislation. The Companies (Amendment) Act 2021 introduced measures to address two of the remaining deficiencies related to 'FATF R.24 – Transparency and Beneficial ownership of legal persons'. These measures include a requirement for all companies to maintain and hold a copy of their Memorandum and Articles at the companies' IoM registered address and to require all 2006 companies to update the Companies Registrar within one month of a change of Directorship of the company. The Beneficial Ownership (Amendment) Act 2021 addressed several matters identified in the Island's MER. The Act further improves the accuracy of the information on the beneficial ownership database and the timeliness with which information is entered onto that database.</p>	<p>Ongoing</p>
<p>Develop a strategy and policies to seek foreign assistance using all available channels upon suspicion of ML/TF.</p>	<p>The ECU's Investigation Policy and AG's Prosecution Policy provide the framework to support and achieve the IoM Governments commitment to 'Maintain a robust, zero tolerance stance` in respect of ML/TF, as set out in the Programme for Government 2016 - 2021. The Island's law enforcement agencies has amongst its strategic aims, to prioritise foreign assistance through the identification, restraint and recover of assets from serious and organised crime with particular focus on economic crime, both in the IoM and overseas. The Island has had several successes in this area.</p>	<p>Completed</p>
<p>Ensure that wherever appropriate offences of ML are put before the courts.</p>	<p>The HM Attorney General has published a Prosecutions Policy for Financial Crime which clearly sets out the IoM's approach in respect of financial crime and the importance, from the position as an international finance centre, of ensuring that cases of ML and other financial crime are taken forward to the courts. Although there has been a significant increase in ML cases put before the courts, with the exception of one case these have been connected to domestic drugs offences, highlighting the need for further progress in this area.</p>	<p>Ongoing</p>
<p>Improve upon and maintain full and accurate aggregate data on law enforcement activities within the Isle of Man in respect of ML/TF.</p>	<p>Significant investment has taken place in technology, resourcing and training to maintain full and accurate data on ML/TF activities. The FIU is now the national centre for receipt and analysis of suspicious activity reports (SARs) and other sources of intelligence, as well as information relevant to ML/TF, predicate offences, and proliferation and sanctions breaches. The FIU introduced new</p>	<p>Ongoing</p>

	analytical software and has made ongoing enhancements to its online (SAR) reporting system to improve the collection of financial crime data, the analysis of intelligence and its ability to provide relevant information, which is disseminated both domestically and internationally. The FIU has engaged with IT developers to facilitate a more efficient method of sharing intelligence between the FIU's and IoM Constabulary's internal databases. This will allow a greater range of access for the FIU, enabling the system to automate the reporting of predicate offences and money laundering from the Constabulary. It is recognised that some gaps in data remain and work is currently ongoing to identify these against national and internationally required statistical information and remediate accordingly.	
Review and improve strategies for identifying and addressing cases of cybercrime.	The Office of Cyber-Security & Information Assurance (OCSIA) was established in 2017 by a Council of Ministers Directive. It acts as the focal point in developing the Island's cyber resilience. Working in partnership with private and third sector organisations across the Island, OCSIA ensures that departments, boards, offices and other public authorities can deter and defend against cybercrime by maintaining and sharing information. In 2019, the ECU and OCSIA developed an overarching Cyber Crime Strategy, which was published on the IoM constabulary webpage in September 2019. The Strategy sets out the risks faced from cybercrime, understanding the threat and what preventative measures can be used.	See OCSIA
Develop an approach to more effectively identify cases of potential bribery and corruption.	The FIU has developed a red flag guidance response document on bribery and corruption, which has been disseminated to all nominated persons registered with them. Further work is planned regarding bribery and corruption in the new Financial Crime Strategy.	Ongoing
Reassess the scope and strength of the Island's border controls.	The issue of border controls has taken on a wider significance in light (a) of Brexit and then (b) of the COVID-19 pandemic. This is an evolving area. It is the case that in 2020 a significantly higher proportion of illegal drugs sent to the IoM were stopped by the police, customs and the Post Office, and also outgoing cash, suspected of being the proceeds of drug crime has been detained.	Ongoing

## Priority Objective 4

### Taking the benefit out of crime.

Requirement	What has been delivered	Status
Undertake systematic parallel investigations into ML/TF, proactively seizing monies	The establishment of the ICART has provided a focus on restraint and confiscation, a high-level national policy and strategy and the resources required to initiate parallel financial investigations.	Ongoing

<p>identified at an early stage as potential criminal proceeds to avoid asset flight.</p>	<p>ICART has been very proactive in identifying and seizing assets early and acting swiftly on behalf of other jurisdictions. Effective criminal financial investigation remains key to ensuring successful outcomes in as many cases as possible and this is an area for further focus.</p>	
<p>Seek to use all means of recovery available within the legislative framework including non-conviction based civil recovery where applicable.</p>	<p>In June 2019, the AML/CFT (Civil Penalties) Regulations 2019 came into force, enhancing the range of sanctioning available in relation to AML failings. Representatives from the Island's ICART have undertaken specialised training with the UK National Crime Agency Civil Recovery and Taxation Team. One final recovery Order has been made evidencing that the process works effectively.</p>	Completed
<p>Establish an approach for dealing with the management of seized assets other than money, including the instrumentalities of crime.</p>	<p>The Attorney General has introduced a policy and framework concerning the Appointment of Receivers in Relation to the Proceeds of Crime. The policy and framework addresses Freezing, Property Freezing and Recovery Orders under civil procedures, and Restraint and Confiscation Orders under criminal procedures.</p>	Completed
<p>Improve the figures for asset restraint and confiscation with particular emphasis on proceeds reflective of the risk profile of the Isle of Man.</p>	<p>Figures for asset recovery and confiscation have improved, however further progress is needed if the IoM is to effectively evidence that the actions taken reflect the risk profile identified in the National Risk Assessment.</p>	Ongoing
<p>Undertake a review and issue guidelines on the use of the principle of proportionality.</p>	<p>The ICART Office Policy, Procedures and Guidance document provides guidance in respect to the principle of proportionality. In addition to the above, the Attorney General has drafted and published guidelines on proportionality, which set out the priorities of the IoM in this area.</p>	Completed
<p>Improve the ways in which relevant departments work together to detect and seize falsely or undeclared cash or similar instruments at the border and investigate whether there is a link to ML/TF or associated predicate offences, which might lead to confiscation.</p>	<p>A Cross-Border Cash Control Mechanism is in operation, which sets out the legislative powers, policy and operational processes concerning the detection of falsely or undeclared cross-border movement of currency. The Mechanism facilitates closer working between LEAs, provides practical operational guidance and identifies the key powers to be utilised by each agency to specifically target undeclared cash or links with ML/TF and associated predicate offences. All officers working at the border can access this document, which gives clear direction regarding the steps to take if a search is undertaken and cash is found. The internal guidance mechanism has worked well to inform officers of their powers, what they can and cannot do, what process should be followed when a cash declaration is received and when cash can be seized.</p>	Completed
<p>More proactively utilise information obtained from international requests for assistance to try and identify, repatriate or return proceeds of crime from abroad and identify foreign</p>	<p>The IoM has further built upon its reputation as a co-operative jurisdiction with the introduction of the ICART. Information from International Letters of Request is shared with the FIU. The ICART works in partnership with the FIU to successfully identify, repatriate and return any known assets or source of evidence, in respect international letters of request.</p>	Completed



proceeds located in the Isle of Man, which may be subject to restraint or confiscation.



AML Policy Office

Cabinet Office, Government Buildings

Bucks Road, Douglas

Isle of Man

IM1 3PN