

## ISLE OF MAN ACTION PLAN TO PREVENT THE MISUSE OF COMPANIES AND LEGAL ARRANGEMENTS

The Isle of Man Government endorses international standards against money laundering, the financing of terrorism and proliferation<sup>1</sup>, tax evasion, corruption and related criminal activities. In particular, the Isle of Man Government supports compliance with the Financial Action Task Force's revised Recommendations which were adopted in February 2012.

The Isle of Man Government is committed to maintaining domestic legislation, policies and procedures which ensure effective compliance with the international standards and, where necessary, progressing further measures in the future to implement evolving international standards and best practice.

The two preceding paragraphs appear in the **Isle of Man Government Commitment to Combating Money Laundering and the Financing of Terrorism and Proliferation**, which was published on 17 July 2012.

**In delivering this Commitment, the Isle of Man Government will take the following actions:**

1. **Co-operate fully with an assessment by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ("MONEYVAL") of the Island's compliance with all relevant international standards in the legal, financial and law enforcement sectors** and, thereafter, make any changes necessary, based on the recommendations of the MONEYVAL report, to improve the effectiveness of Isle of Man regimes to combat money laundering and terrorist financing and the Isle of Man's capacity to co-operate internationally in these areas.
2. **Conduct a national assessment of money laundering and terrorist financing risks**, co-ordinating action by the public and private sectors to assess risks, apply resources and mitigate those risks, with the findings to be shared by 2014.
3. The Isle of Man already has legislation in place to ensure that:
  - (a) **companies know who owns and controls them and that this information is accurate and readily available** to the authorities, financial institutions and other regulated businesses;
  - (b) **full and accurate details on the true ownership and control of every company is freely available to law enforcement and tax collectors;**
  - (c) **trustees of express trusts know the beneficiaries of their trusts**, and that trustees' status is disclosed to regulated financial institutions; and
  - (d) **competent authorities have access to information on trusts** and can share this information with foreign counterparts.

**The Isle of Man will, therefore**, building on the comprehensive supervisory regime which already requires all intermediaries to know the ultimate beneficial ownership

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<sup>1</sup> Of weapons of mass destruction

behind all company and trust vehicles with whom they transact business, **conduct a national assessment of:**

- \* **the accessibility of beneficial ownership information in respect of all companies and all trusts to Isle of Man authorities;**
- \* **the effectiveness of mechanisms for sharing this information with foreign counterparts; and**
- \* **whether a centralised registry containing information on the ownership and control of companies in the Isle of Man would improve transparency,**

with the findings to be shared by 2014.

4. **Continue to play an active role in organisations which promote international co-operation to counter all kinds of illicit financial flows.**
5. **Continue to negotiate and enter into international tax co-operation agreements or instruments** under the entrustment of the United Kingdom, where appropriate, including: tax information exchange agreements; double taxation agreements; inter-governmental agreements to support the automatic exchange of tax information (such as under the United States Foreign Account Tax Compliance Act); and the Convention on Mutual Administrative Assistance in Tax Matters.