

Changes to Anti Money Laundering and Countering the Financing of Terrorism Handbook

Date	Change
December 2011	<p>Section 4.10 - Concession allowing Source of Funds to be used as verification of identity removed. Section dealing with Eligibly Introduced relationships moved from section 4.11 to section 4.10.</p> <p>Section 4.12 - Intermediaries concession removed and replaced with a new section 4.11 regarding a specific concession for applicants for business that are collective investment schemes and a new section 4.12 which deals specifically with Pooled Clients Accounts. Referencing changes made throughout the AML/CFT Handbook to take account of these changes</p> <p>Amendments made throughout the AML/CFT Handbook to reference foundations and clarify the treatment of foundations as applicants for business for customer due diligence purposes. Sections specifically affected include 3.2.1 and 4.7.</p> <p>Amendments made throughout the AML/CFT Handbook to refer to legal persons rather than companies.</p> <p>Amendments made to Appendix E, the Eligible Introducer's Certificate, to take account of applicants for business that are foundations.</p>
November 2011	<p>Section 4.4.2 amended to clarify that utility bills received electronically, rather than by post at the relevant address, are not an acceptable method of verifying residential address.</p> <p>In respect of trusts, section 4.6.2 amended to clarify that due to the potential risks of money laundering and/or terrorist financing, licenceholders should also identify and verify the identity of third parties before making any payments to them. This would include loans or payments arising as a result of powers of revocation being exercised in respect of a trust.</p> <p>Sections 4.7.1 and 4.7.3 amended to make reference to "natural person" in the context of underlying principals and beneficial owners.</p> <p>Sector Specific Guidance for Trust Services Providers, Corporate Service Providers, Banks and Investment Businesses included in Section 9</p> <p>Appendix B amended to refer to the Proceeds of Crime (Money Laundering) Code 2010.</p> <p>Appendices G(a) and G(b) amended to reflect the FATF Statement issued on 28 October 2011 and the FATF's statement entitled "Improving Global AML/CFT Compliance: update on-going process" also issued on 28 October 2011.</p>
September 2011	<p>Insertion of a new Appendix A(c) for the Prevention of Terrorist Financing Code 2011 ("CFT Code"). This Code, made under the Terrorist (Finance) Act 2009 largely mirrors the requirements of the Proceeds of Crime (Money Laundering) Code 2010 ("AML Code").</p> <p>Handbook amended throughout to refer to the CFT Code and provide guidance on the CFT Code's requirements.</p> <p>Section 4.4.2 amended to amend the definition of recent account statement / recent utility bill from being no more than 3 months old to no more than 6 months old.</p> <p>A tracked changes version of the AML/CFT Handbook as at 1 September 2011, can be found here.</p>
July 2011	<p>Amendments include updates to Appendices G(a) and G(b) following the Financial Action Task Force's ("FATF") Public Statement and the FATF's update to the statement entitled "Improving Global AML/CFT Compliance: update on-going process" both issued on 24 June 2011.</p>

Date Change

Amendments have also been made in sections 4.13.1, 5.4.2, 6.2, 6.6.1, 6.7.2, 6.8.1 and 6.8.3 following consultation with the Financial Crime Unit.

Amendment has also been made to section 5.2.4, in respect of dealing with "Hold Mail" Relationships.

Full details of the changes made, including a tracked changes version of the AML/CFT Handbook as at 13 July 2011, can be found [here](#).

May 2011

Insertion of a new Appendix A(b) for the Proceeds of Crime (Money Laundering) (Amendment) Code 2010. This amendment Code replaces Schedule 2 of the Proceeds of Crime (Money Laundering) Code 2010 with a new Schedule which has the effect of removing Argentina from the list of equivalent jurisdictions.

Appendix A has been relabelled Appendix A(a). No further changes have been made to Appendix A(a).

Appendix C, Consolidated List of Jurisdictions Listed at Schedule 2 of the Proceeds of Crime (Money Laundering) Code 2010 (As Amended), updated to remove Argentina from the list of equivalent jurisdictions in accordance with the amendments made to the Proceeds of Crime (Money Laundering) Code 2010 by the Proceeds of Crime (Money Laundering) (Amendment) Code 2010.

Appendix G(a) amended to remove Uzbekistan and the Northern Part of Cyprus.

Handbook amended throughout to refer to Schedule 2 of the Proceeds of Crime (Money Laundering) Code 2010 as amended.

Section 4.4.2 (g) amended to remove the reference to face-to-face business, in accordance with Section 4.4.2.1.

April 2011

Appendix G(a) amended to take account of the Financial Action Task Force's ("FATF") Public Statement issued on 25 February 2011.

Appendix G(b) amended to take account of the FATF's statement entitled "Improving Global AML/CFT Compliance: update on-going process" issued on 25 February 2011. Section

4.13 of the AML/CFT Handbook has also been amended at 4.13(a) to add in the wording "or those deputising for the nominated resident officers in accordance with Rule 8.22 of the Rule Book".

November 2010

Appendix G(a) amended to take account of the Financial Action Task Force's ("FATF") Public Statement issued on 22 October 2010.

Appendix G(b) amended to take account of the FATF's statement entitled "Improving Global AML/CFT Compliance: update on-going process" issued on 22 October 2010.

Sections 4.4.1 and 4.4.2 of the AML/CFT Handbook have also been amended to clarify that it is necessary to obtain the identification information, name, date of birth, place of birth and nationality in respect of all customers, but in respect of low risk customers, it is only necessary to verify the name and date of birth.

Section 4.4.2.1 has been amended to remove reference to face-to-face situations in respect of verifying identity using independent electronic data sources.

Section 4.6.2(g) amended to clarify that payments to beneficiaries can not be treated as exempted one-off transactions.

Section 4.10 amended to restrict the use of the "source of funds as verification of identity" concession to customers that present a low risk of money laundering or terrorist financing.

Section 4.11, 4th paragraph amended to make clear that the Eligible Introducer concession does not apply if paragraph 11(11) or paragraph 11(12) of the Proceeds of Crime (Money Laundering) Code 2010 are met.

Date Change	
	<p>Section 4.11.4 amended to more clearly reference the impact of paragraphs 3(4) and 11(12) of the Proceeds of Crime (Money Laundering) Code 2010 on the Eligible Introducers concession.</p>
<p>Sep tem ber 201 0</p>	<p>The main changes to the AML/CFT Handbook are as follows:</p> <p>Amendments made throughout the Handbook to take account of the new Proceeds of Crime (Money Laundering) Code 2010.</p> <p>Section 2.8 on Technological Developments - additional guidance provided.</p> <p>Section 4.4.1 amended to outline the identification information which must be collected for all personal customers, personal customers who are standard risk and personal customers who are higher risk.</p> <p>Sections 4.7, 4.11 and Appendix E - minor typographical errors corrected.</p> <p>Appendices A(a) and (b) replaced by Appendix A - Proceeds of Crime (Money Laundering) Code 2010 replaces the Criminal Justice (Money Laundering) Code 2008 and the Criminal Justice (Money Laundering) (Amendment) Code 2009.</p> <p>New Appendix L - Pro-forma Register of Internal Money Laundering and Financing of Terrorism Reports made to the MLRO or Deputy MLRO.</p> <p>Detail of the changes can be found in the Tracked Changes version of the AML/CFT Handbook.</p>
<p>Jul y 201 0</p>	<p>Update Appendix G(a) to refer to the FATF statement of 25 June 2010 entitled "FATF Public Statement" which updates their public statement issued on the 18 February 2010;</p> <p>Update Appendix G(b) to refer to the FATF statement of 25 June 2010 entitled "Improving Global AML/CFT Compliance: On-Going Process", which updates the statement of the same name issued by the FATF on 18 February 2010.</p>
<p>Ma y 201 0</p>	<p>Amendments have been made to the AML/CFT Handbook, these are:</p> <p>Appendix G(a) (formerly Appendix G) amended to remove reference to the FATF statement of 18 February 2010 entitled "<i>Improving Global AML/CFT Compliance: On-Going Process</i>" and countries referred to within that statement. New Appendix G(b) added entitled "<i>Countries and territories covered by other statements from international bodies</i>" drawing the statement issued by the FATF on 18 February 2010 entitled "<i>Improving Global AML/CFT Compliance: On-Going Process</i>" to the attention of licenceholders in order that it can be taken into account when conducting risk assessments and in respect of AML/CFT systems and controls. Business relationships and one-off transactions with persons or legal arrangements resident or located in jurisdictions listed in Appendix G(b) do not need to be treated automatically as higher risk.</p> <p>References to Appendices G(a) and G(b) incorporated throughout the AML/CFT Handbook.</p> <p>Amendment to section 4.5.1 dealing with suitable certifiers and the certification procedure to allow, on an exceptional basis where the certifier is unable to provide the full certification wording for identity documents, the flexibility to accept the wording "<i>certified as a true copy of the original</i>".</p> <p>The amended AML/CFT Handbook can be found at http://www.fsc.gov.im/handbooks/guides/AML/</p>
<p>Mar ch 201 0</p>	<p>Amendments have been to the AML/CFT Handbook, these are</p> <p>References amended throughout the AML/CFT Handbook to updated legislation including the Proceeds of Crime Act 2008 and the Terrorism (Finance) Act 2009. This has resulted in amendments to the text as a consequence of provisions within these pieces of legislation, particularly within Sections 5.4.3 and 6 of the AML/CFT Handbook.</p>

Date Change

Amendments made throughout the AML/CFT Handbook to reflect the coming into force of the Financial Services Rule Book 2009 in place of the Financial Services Rule Book 2008. This includes changes made throughout the AML/CFT Handbook to remove references to the Criminal Justice (Money Laundering) Code 2008 covering the same issues as Part 9 of the Financial Services Rule Book 2008 as this Part has been removed from the 2009 Rule Book. Amendments also made throughout the AML/CFT Handbook to reference the AML/CFT provisions within the Financial Services Rule Book 2009 with respect to anonymous accounts (see Rule 6.6).

Section 3.2.4 text removed in respect of the timing for verifying identity as this is specifically covered in Section 4.13 of the AML/CFT Handbook.

Section 4.7.1(l) amended to clarify the available concession for Corporate Services Provider licenceholders. Section 4.7.3 amended to include reference to a signatory.

Section 4.11.1 amended so that reference to institutions holding licences under previous regulatory legislation has been removed.

Section 6.6.2 amended to include reference to a new Appendix J.

New Section 6.6.3 added with respect to recording money laundering enquiries as required under paragraph 19 of the Criminal Justice (Money Laundering) Code 2008. Includes reference to a new Appendix K.

Section 6.7.2 amended to reference the Criminal Justice Act 1990 and broaden the reference to civil forfeiture proceedings beyond anti-terrorism legislation.

Section 8.6 amended to include reference to new Appendices J and K.

Appendix B amended to remove the Financial Services Rule Book 2008 and to insert an extract from Rule 6.6 of the Financial Services Rule Book 2009 in respect of anonymous accounts.

Appendix D amended to reference additional classes of Financial Supervision Commission licenceholder.

Appendix E, EIC 1.1 amended to reference additional classes of Financial Supervision Commission licenceholder. EIC 1.2 amended to remove reference to provisions of the Financial Services Rule Book 2008.

Appendix G amended to incorporate two statements issued by the FATF on 18 February 2010 with respect to Iran, Angola, Democratic People's Republic of Korea, Ecuador, Ethiopia, Pakistan, Turkmenistan, Sao Tome & Principe, Antigua and Barbuda, Azerbaijan, Bolivia, Greece, Indonesia, Kenya, Morocco, Myanmar, Nepal, Nigeria, Paraguay, Qatar, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Thailand, Turkey, Ukraine and Yemen.

New Appendix J added providing a template Register of Money Laundering Disclosures.

New Appendix K added providing a template Register of Money Laundering Enquiries.

The amended AML/CFT Handbook can be found at <http://www.fsc.gov.im/handbooks/guides/AML/>

October 2009	Appendix G covering countries and territories that do not or insufficiently apply the FATF Recommendations under paragraph 8(2)(a) of the Criminal Justice (Money Laundering) Code 2008. These amendments recognise the statement issued by the FATF on 16 October 2009 in respect of Iran, Uzbekistan, Turkmenistan, Pakistan and Sao Tome and Principe.
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September 2009	<p>Appendix F which is the Isle of Man Financial Crime Unit Disclosure Form has been updated following the implementation of the Proceeds of Crime Act 2009 on 1 August 2009. The Appendix now provides a link to the prescribed Disclosure Form on the Financial Crime Unit's website.</p> <p>Appendix G covering countries and territories that do not or insufficiently apply the FATF Recommendations under paragraph 8(2)(a) of the Criminal Justice (Money Laundering) Code 2008. These amendments recognise the statement issued by the FATF on 26 June 2009 in respect of Iran, Uzbekistan, Turkmenistan, Pakistan and Sao Tome and Principe and the statement issued by MONEYVAL on 24 September 2009 in respect of Azerbaijan.</p>
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Date	Change
	In addition, amendments have been made to Section 4.12 Intermediaries with respect to the examples of intermediaries listed.
May 2009	<p>New Appendix A(b) incorporating the Criminal Justice (Money Laundering) (Amendment) Code 2009 which adds the British Virgin Islands to the list of equivalent jurisdictions at Schedule 2 of the Criminal Justice (Money Laundering) Code 2008. Changes made to Appendix C as a result.</p> <p>New Appendices H(a), H(b) and I incorporating the European Communities (Wire Transfers Regulation) (Application) Order 2007, the European Communities (Wire Transfers Regulation) (Application) (Amendment) Order 2007 and The EC Wire Transfers Regulation (Enforcement) Regulations 2007. Subsequent changes made to Section 5 of the Handbook to reference these new appendices.</p> <p>Amendments made to Section 4.7.3, Appendix D and Appendix E to ensure conformity with the Criminal Justice (Money Laundering) Code 2008.</p>
April 2009	<p>New Appendix G covering countries and territories that are to be treated as countries and territories that do not or insufficiently apply the FATF Recommendations as per paragraph 8(2)(a) of the Criminal Justice (Money Laundering) Code 2008.</p> <p>As a consequence, business relationships and one-off transactions with persons or legal arrangements resident or located in such jurisdictions pose a higher risk and must be subject to enhanced customer due diligence.</p> <p>Consequential amendments throughout the Handbook to make reference to the new Appendix G.</p>
January 2009	Amendments made throughout the Handbook to reflect the coming into statute of the Criminal Justice (Money Laundering) Code 2008. The new Code includes all the items contained in Part 9 of the FSC's Rule Book except for Part 9.3.
August 2008	Issue of new Anti-Money Laundering and Countering the Financing of Terrorism Handbook ("AML/CFT Handbook") to provide guidance to licenceholders on the requirements of the Criminal Justice (Money Laundering) Code 2007 and on Part 9 of the Financial Services Rule Book 2008. This AML/CFT Handbook replaces the Money Laundering and Prevention of Terrorism Guidance Notes (April 2003) as amended.

Changes to Anti Money Laundering Guidance Notes

Date Change

May 2008 Criminal Justice (Money Laundering) (Amendment) Code 2008 inserted as Appendix B(c).

This legislation amends Schedule 1 (Relevant business) to the Criminal Justice (Money Laundering) Code 2007 by providing that lending, financial leasing arrangements and the provision of financial guarantees and commitments do not in themselves fall within the definition of "relevant business" contained in the Code where they are provided -

- 1 by a parent undertaking to a subsidiary of that parent undertaking;
- 2 by a subsidiary of a parent undertaking to that parent undertaking; or
- 3 by a subsidiary of a parent undertaking to another subsidiary of that parent undertaking.

This legislation also adds Monaco to the equivalent jurisdictions listed in Schedule 2 of the Criminal Justice (Money Laundering) Code 2007.

Subsequent changes made to Sections 2.01 and 2.04 of the Anti-Money Laundering Guidance Notes to reference this new legislation and the amendments to Schedule 1.

Date Change

Appendix D updated to reflect the addition of Monaco to Schedule 2 of the Criminal Justice (Money Laundering) Code 2007.

November

2007 Criminal Justice (Money Laundering) (Amendment) Code 2007 inserted as Appendix B(b). This legislation adds Cyprus to the list of equivalent jurisdictions at Schedule 2 of the Criminal Justice (Money Laundering) Code 2007. Subsequent changes made to Section 2.01 to reference this new legislation.

Appendix D amended to reflect the addition of Cyprus to Schedule 2 of the Criminal Justice (Money Laundering) Code 2007.

September

2007 Amendments made throughout the AMLGN to reflect referencing changes as a result of the new Criminal Justice (Money Laundering) Code 2007 coming into effect on 1 September 2007.

The Criminal Justice (Money Laundering) Code 2007 has also led to further changes as follows:

Section 2.03 amended to provide updated references to Code requirements. Section 2.04 amended to remove section regarding the Anti-Money Laundering (Amendment) Code 1999.

New section 2.04 now relates to businesses covered by the Code and reflects the Code's extension of the requirements to other businesses.

Section 3.01 amended to reflect the requirements of paragraph 6 of the Code regarding Continuing Business relationships.

Section 3.04 amended to reflect new requirements when using the Eligible Introducer system in accordance with paragraph 8 of the Code.

Section 5.01 amended to reflect that the MLRO appointed under the Code must be sufficiently senior with the organisation, or if not within the organisation, have sufficient experience and authority.

Section 6.01 amended to reflect the requirements of paragraph 6 of the Code.

Section 7 amended to reflect the new record keeping requirements of the Code.

Section 8 amended to reflect the requirements in the Code to screen new staff. Appendix B amended with insertion of new Criminal Justice (Money Laundering) Code 2007 to replace the revoked Anti-Money Laundering Code 1998 (as amended).

Appendix D amended to reflect the countries listed in Schedule 2 of the Code.

Appendices F(a) and F(b) amended to reflect the businesses that may be Eligible Introducers under paragraph 8 of the Code and to reflect additional requirements under the Code when utilising the Eligible Introducers' system.

Appendices M(a) and M(b) amended to reflect the businesses that may be Acceptable Applicants under the Code and to reflect additional requirements when utilising the Acceptable Applicants' system.

Appendix N amended to reflect the revocation of the Anti-Money Laundering (Amendment) Code 1999 and requirements of the Code regarding staff screening.

February 2007 Rewrite of Section 4.04 on Wire Transfer Transactions to comply with Financial Action Task Force Special Recommendation VII, the EU Regulation 1781/2006 and the impending Isle of Man European Communities (Wire Transfers Regulation) (Application) Order 2007.

February 2007 Update to Appendix D removing references to HM Treasury's formal notice against Antigua and Barbuda as this notice has been rescinded.

October 2006 Update to Appendix D to reflect the removal of Myanmar from the FATF list of Non-Cooperative Countries and Territories.

July 2006 Section 2.02 amended to reflect the relevant paragraphs of the Banking (General Practice) Regulatory Code 2005.

June 2006 Update to Appendix D to reflect the removal of Nigeria from the FATF list of Non-Cooperative Countries and Territories.

Date	Change
June 2006	Section 3.04 amended to provide explanation of the revised Eligible Introducer's Certificate to be found at Appendix F(b).
June 2006	Section 10 Appendix F(b) revised Eligible Introducer's Certificate.
December 2005	Contents Page amended to include new Appendix B(d).
December 2005	Section 1.04 amended to refer to FATF Special Recommendation IX.
December 2005	Section 2.01 amended to refer to additional anti-money laundering legislation and the Anti-Terrorism and Crime Act 2003
December 2005	Section 2.02 amended to refer to the Fiduciary Services (General Requirements) Regulatory Code 2005
December 2005	Section 2.05 amended to reflect the Anti-Money Laundering (Money Service Businesses) Regulations 2002 and the Anti-Money Laundering (Amendment) Code 2005.
December 2005	Section 3.02(c) amended in relation to adopting a flexible approach to verification of address.
December 2005	Section 3.03 amended to refer to the Fiduciary Services (General Requirements) Regulatory Code 2005.
December 2005	Section 3.04 amended to refer to Fiduciaries and regarding Disclosure of Underlying Principals / Beneficial Ownership.
December 2005	Section 4.04 amended to reflect the current position regarding FATF Special Recommendation VII.
December 2005	Section 7 introductory paragraphs and 7.01 amended to reflect requirements for the retention of transaction records as per the Anti-Money Laundering (Amendment) Code 2005.
December 2005	Section 10 Appendix A amended to refer to second and third EU money laundering directives.
December 2005	Section 10 Appendix B(d), Anti-Money Laundering (Amendment) Code 2005 inserted.
December 2005	Section 10 Appendix D amended to remove Nauru from the list of Non-Cooperative Countries.
December 2005	Section 10 Appendix F(a) amended to reflect the Anti-Money Laundering (Money Service Businesses) Regulations 2002.
December 2005	Section 10 Appendix F(b) amended to reflect the Anti-Money Laundering (Money Service Businesses) Regulations 2002 and the Anti Money Laundering (Amendment) Code 2005.
December 2005	Section 10 Appendix J amended to refer to the Anti-Terrorism and Crime Act 2003.
December 2005	Section 10 Appendix M(a) amended to reflect the Anti-Money Laundering (Money Service Businesses) Regulations 2002.
December 2005	Section 10 Appendix M(b) amended to reflect the Anti-Money Laundering (Money Service Businesses) Regulations 2002 and the Anti Money Laundering (Amendment) Code 2005.
December 2005	Section 10 Appendix N amended to refer to the Anti-Terrorism and Crime Act 2003. Also amended to account for renumbering of Criminal Justice Act 1990.
21/02/2005	Update to Appendix D to reflect the removal of Guatemala, the Cook Islands, Indonesia and the Philippines from the FATF list of Non-Cooperative Countries and Territories.

Date Change

- 19/01/2005 Appendix H of the Anti-Money Laundering Guidance Notes has been replaced by the amended Isle of Man Financial Crime Unit Disclosure Forms. This is to reflect the coming into force of the Anti-Terrorism and Crime Act 2003 which supersedes the Prevention of Terrorism Act 1990.
- 25/10/2004 Appendices E(a) and E(b) of the Anti-Money Laundering Guidance Notes have been updated to take account of new Special Recommendation IX and subsequent amendments to Recommendation 19 of the Forty Recommendations, issued by the Financial Action Task Force on 22 October 2004.
- 08/04/2004 Update to Appendix D to reflect the removal of Egypt and Ukraine from the FATF Non-Cooperative List.
- 19/01/2004 Update to Appendix D to include South Africa in the list of countries which can be treated as equivalent territories. St Vincent and the Grenadines has also been removed from the FATF non-cooperative countries and territories list.
- 16/09/2003 Replacement of Appendix E(a) with the new Forty Recommendations of the Financial Action Task Force on Money Laundering
- 14/05/2003 Amendments to the January 2003 consultative draft Section 1.04