

AML/CFT Ongoing Initiatives

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ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

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Ongoing work since 2016 evaluation

- ✓ AML/CFT Amendment Code 2018 – emergency update
- ✓ AML/CFT Code 2019 - New
- ✓ AML/CFT Amendment Code 2019 – further tweaks needed
- ✓ Civil penalty framework Amendments to DNFBP / POCA / ATCA legislation
- ✓ New guidance framework being developed
- ✓ IOM has completed 98% of its actions relating to effectiveness
- ✓ IOM has completed 92% of its actions relating to technical compliance (re-rated 39/40 C or LC)



Ongoing initiatives – Government wide

- ✓ Creation of FIU
- ✓ Establishment of asset recovery unit
- ✓ Refreshed National Risk Assessment
- ✓ New legislation – 6 primary, 45 secondary
- ✓ Government published progress report 2016-2020
- ✓ Refreshed Financial Crime Strategy 2021-2023
- ✓ Beneficial Ownership legislation & commitments
- ? Anti-Bribery and Corruption Strategy (to do)
- ? Cross-government mock stats collection exercise (to do)



Ongoing initiatives – FSA

Thematic – using the data to determine topic

Creation of centralised AML/CFT inspection unit

Refreshed AML/CFT guidance – new approach *

Data collection & use of data – informing approach

Participation in Cabinet Office led mock stats collection exercise

Supervisory approach including Authority-wide
AML/CFT risk assessment methodology *

DNFBP inspections – payroll and virtual asset focus

Sectoral reports on AML/CFT for industry *

Industry Webinars (**particularly topics marked with ***)



Foreign PEP Thematic

- Analysis of data submitted in the statistical returns and the DNFBP returns indicated a **significant presence of foreign PEPs** within some entities/sectors
- Thematic exercise to commence imminently covering all sectors
- Initial **data collection** to be undertaken using a questionnaire
- Following analysis of results some entities to be selected for a focused onsite
- **Outputs** – feedback will be issued following thematic / guidance update if needed



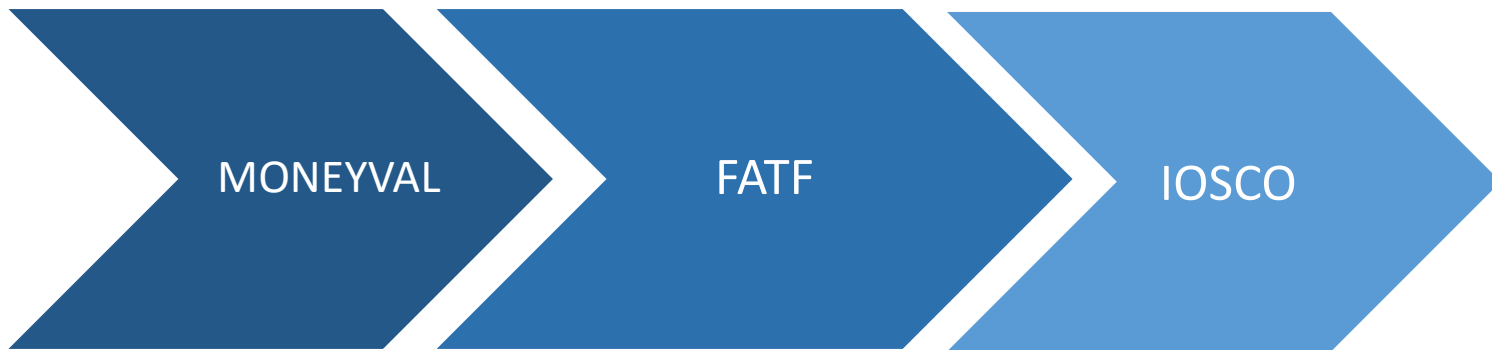
AML/CFT Handbook - Update

- Refreshing the AML/CFT Handbook
- Aim to implement a guidance structure based on materiality and risk (**paragraph 4(2) AML/CFT Code**)
- “Core” handbook – minimum expectations in order to meet the requirements of the AML/CFT Code
- “Best practice guides” – identified topics/themes where more detail or examples are useful
- Sector Specific – detail regarding ML/FT risks applicable to different sectors/products
- Timeline –aim Q2



AML/CFT Handbook - Update

- We are working with other agencies to avoid repetition
- Customs and Excise publish sanctions guidance
- **FIU publications** - including **SAR guidance**
- Cabinet Office publications such as **NRA & Financial Crime Strategy**
- Don't forget about **international guidance and typologies**
i.e.



FATF Country lists update

- Cayman Islands have been placed on FATF “grey” list
- Cayman will be removed from List C and go on to List B
- “Trusted person” / “External regulated business”
- Authority working with DFE / Cabinet Office and Crown Dependencies to ensure an aligned approach
- Initial steps will be to understand licenceholders/registered persons with business relationships/customers connected to the Cayman Islands
- Further details to follow





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