



ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

Lught-Reill Shirveishyn Argidoil Ellan Vannin

OCTOBER 2023

INDUSTRY SURVEY 2023

ISLE OF MAN FINANCIAL SERVICES AUTHORITY ACTION PLAN

www.iomfsa.im 

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Foreword by the CEO

We are committed to achieving continuous improvement in support of our efforts to protect consumers, reduce financial crime and maintain confidence in the finance sector.

Our focus is on delivering outcomes that enhance the Island's reputation as a well-regulated jurisdiction and an excellent place to do business.

We always listen to industry and take on board your comments to help inform our strategic priorities and future direction of travel.

In this regard, I am grateful to everyone who responded to the confidential survey conducted by Island Global Research in 2023.

The findings highlight what you believe is working well – and the areas where you feel we can do better.

This action plan sets out how we intend to address some of the main themes to emerge from the survey, with a view to enhancing our overall effectiveness.

We will use your feedback to better understand the needs of the financial services sector and to strengthen our relationship with the firms we regulate or oversee.

For example, you highlighted matters in relation to our thematic review of foreign Politically Exposed Persons. In response, work is already under way to enhance the planning, management and delivery of future thematic projects.

The following pages identify the steps we have already taken – and what we are planning to do – to drive progress in five key areas.

>>> Inspections

>>> Transparency

>>> Communications & Outreach

>>> People Strategy

>>> Innovation

Collaboration continues to be a priority for the Authority. I look forward to working with you all to achieve our common goal of a securing a sustainable and prosperous future for the Island.

Bettina Roth, CEO



‘This action plan sets out how we intend to address some of the main themes to emerge from the survey, with a view to enhancing our overall effectiveness’

Main findings

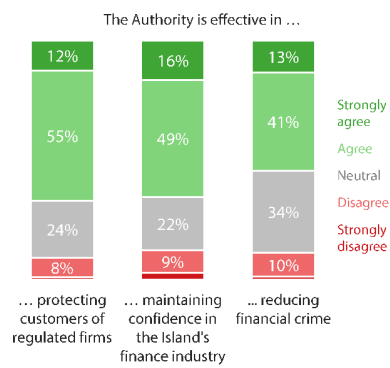
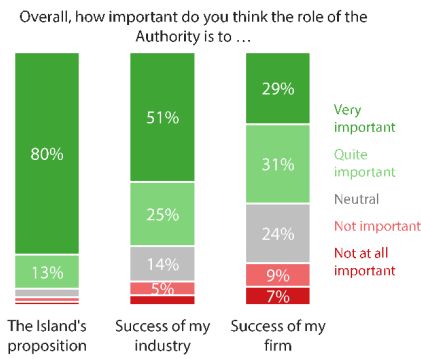
We commissioned Island Global Research (IGR) to conduct an independent industry survey to obtain feedback on our performance from regulated entities and designated businesses in the Isle of Man.

IGR asked for your opinions on the effectiveness of the Authority in relation to our role, objectives and

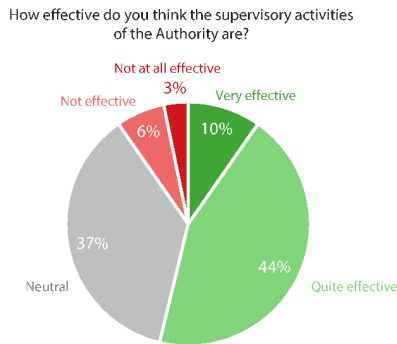
responsibilities, our approach to supervisory and oversight activities, and our engagement with industry. The responses provide a picture of what is working well, and where you feel we can improve.

The full report and an executive summary are published on our website at www.iomfsa.im

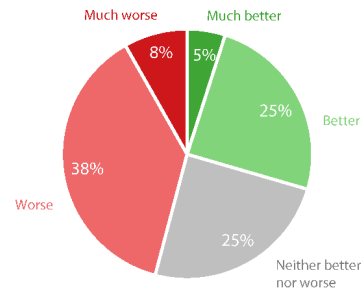
Overall impression of the Authority



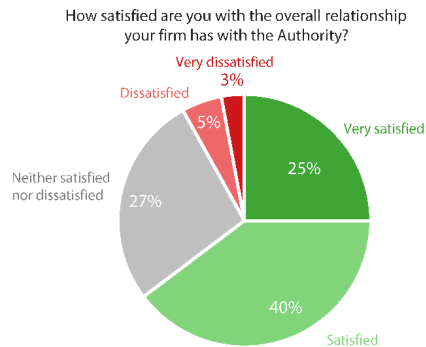
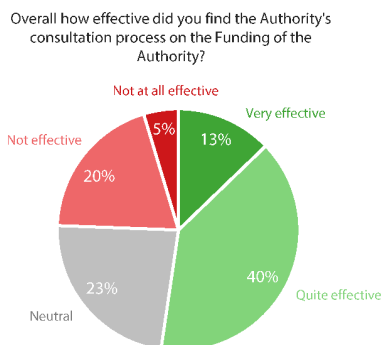
Supervisory approach



71% of respondents said the supervisory approach had changed. If had observed a change, how has it changed?



Engagement with the Authority



Inspections

You said:

Some respondents believe the timeliness and quality of inspections could be improved, with a focus on more communication and engagement with the inspection team.

What we have done:

- Published enhanced inspections guidance in October 2021 setting out the expectations for firms and for the Authority, inspection reporting style and typical timelines in inspections.
- Published the Authority's Supervisory Framework in May 2023.

Since the survey was completed -

- Foreign PEP thematic report published.
- PEP webinar broadcast.
- Manx Museum outreach event included the PEP report.

What we will do:

- Review the feedback from actual inspections (including the PEP thematic) and consider any changes to internal processes and/or inspection report format. Consider working with industry and professional bodies to seek feedback before finalising any updates.
- This review will inform the outreach that we will deliver to industry and any changes to the published inspection approach document.
- It will also inform the updated internal training that will be rolled out to inspection staff.



‘We are reflecting on your feedback to recent projects in respect of the planning, management and delivery of future thematic’s’

Transparency

You said:

Greater transparency is requested around inspections and enforcement processes, in addition to the publication of key performance indicators and further guidance.

What we have done:

- Published Enhanced Inspections Guidance in October 2021.
- Published the Authority's Supervisory Framework in May 2023.
- Published a new AML/CFT Handbook, supplementary guidance and 14 sector-specific AML/CFT guides since July 2021.
- Published PEP thematic findings.

What we will do:

- Publish KPI indicators on the Authority's website for greater transparency of where we spend our time and how we measure against service level expectations.
- Publish our annual report and lay a copy before Tynwald in Autumn 2023.
- Continue outreach with stakeholders, including industry associations, on our strategic priorities and supervisory approach.



‘We will continue to engage with firms and industry associations to explain our direction of travel, strategic priorities and supervisory approach’

Comms & outreach

You said:

Some firms view the Authority's relationship with industry as less collaborative and more arm's-length.

What we have done:

- Data gathering process/returns webinar.
- Live PEP thematic webinar and issue of PEP thematic findings report.
- Live event at the Manx Museum on new Supervisory Framework, plus specific sessions with industry bodies.
- Beneficial Ownership webinar and presentations.
- Articles published in the Isle of Man media.
- Designated businesses webinar.
- Regular updates via statements, newsletters, e-bulletins and press releases on the Authority's news page on the website.
- Continuation of periodic industry body meetings.

What we will do:

- Continue programme of outreach with industry and professional bodies through a number of different methods, including in-person meetings, presentations, webinars, and bilateral meetings.
- New supervisory framework sets out an engagement model, which includes approaches to be taken with regulated and supervised entities.
- Review feedback received through the various channels and incorporate into our future communications approach.



‘We will incorporate your feedback into our future communications approach to strengthen our programme of outreach and engagement’

People strategy

You said:

Respondents feel that resourcing constraints and the loss of some experienced staff mean the Authority sometimes does not have an in-depth understanding of the businesses it regulates.

What we have done:

- Supported teams through restructuring with change management preparations.
- Recruited a dedicated People Development Manager.
- Enhanced our performance management framework and increased training for line managers.
- Started to consider different programmes in order to build additional capacity within the Authority.
- Workshops held to prepare the roll out of additional staff training in line with feedback to ensure consistency and quality of interaction with firms.

What we will do:

- Increase coaching offering to accelerate development in key roles.
- Provide support for professional qualifications strategically in order to upskill ahead of demand.
- Improve workforce planning to include engagement, development and succession plans.
- Continue to participate in government-wide initiatives to create capacity.
- Roll out additional staff training in line with feedback to ensure consistency and quality of interaction with firms.



‘We are seeking to accelerate staff development and roll out additional training to ensure consistency and quality of interaction with firms’

Innovation

You said:

Firms would welcome greater use of technology and further automation of processes to enhance interaction and help reduce the cost of compliance.

What we have done:

- Participation in the Insurtech Accelerator Programme.
- Participation in the Fintech Innovation Challenge.
- Created dedicated website section to support innovation.
- Strong collaboration with Digital IOM and Finance IOM.
- Created and utilised the regulatory sandbox.
- Meetings with existing firms, applicants and fintech providers to provide guidance on regulatory issues.

What we will do:

- Launch Innovation Hub with Digital IOM and Finance IOM.
- Develop new AML/CFT analytical tool with the Gambling Supervision Commission (expected go live in 2023).
- Continue to update data management and financial returns process to achieve straight-through processing into warehouse.
- Roll out further thresholds in BI tool to allow for exception reporting.
- Continue the dialogue with stakeholders about how innovation can reduce the compliance burden.



‘We will maintain an open dialogue with our stakeholders to explore how innovation can help to reduce the compliance burden’

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