

**Guidance for the
AML/CFT Statistical return
Year ended 31 December 2017
Regulated entities**

This guidance is provided to assist firms in the completion of the 2018 AML/CFT Statistical Return

Not all sections of this guidance are applicable to firms. Firms are encouraged to complete the Company Information Form on the Return to identify which Forms are required. These are detailed on the Control Sheet.

Control Sheet

The **Control Sheet** provides information on the construct of the **Return**.

The **Control Sheet** details all the forms contained within the **Return** and indicates which forms are required to be completed and the status of each of those forms. Hyperlinks are also provided to enable the user to 'jump' to forms elsewhere in the return. Similar links are available on each form to return the user to the Control Sheet.

The forms each firm must complete is dependent upon the permissions of the firm and these are input in the **Company information sheet**. When the **Return** is first opened only one form is shown as being required being the **Company information sheet**. The list of required forms is updated dynamically and is dependent upon the input variable entered in other forms, but primarily by the **Company information sheet**.

There are four possible statii of forms and individual questions within forms:

- Complete All required entry fields have been populated
- Possibly Complete All required entry fields have been populated but the data may be inconsistent with other entries. If this is the case an appropriate message will be displayed on the relevant question and the firm is requested to check the entries made.
- Incomplete; and Not all required entry fields are populated – the form will indicate which questions are not completed.
- N/A The question or form is not required.

When the status of the **Control Sheet** is showing as complete the **Return** is read for submission and should be sent to business.change@iomfsa.im. If the status is Possibly Complete and the firm is satisfied that the entries made do not contain errors then the Return is also ready for submission.

Completed submissions are requested by 31 December 2018.

Scope

Every firm with permissions under the Financial Services Act 2008, the Insurance Act 2008, the Retirement Benefits Schemes Act 2000 and the Credit Unions Act 1993 is requested to complete this 2018 AML/CFT Statistical Return (the **Return**). Submissions should not be combined with firms within the same group or like activities. Combined submissions will be rejected.

Professional officers do not need to complete this Return.

Best endeavours

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It is recognised by the Authority that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand ‘a picture’ of the firm and requests that the firm provide the information on a best endeavour’s basis using its detailed understanding and knowledge of its customers and new business processing.

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Control Sheet

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The forms each firm must complete is dependent upon the permissions of the firm and these are input in the **Company information sheet**. When the **Return** is first opened only one form is shown as being required being the **Company information sheet**. The list of required forms is updated dynamically and is dependent upon the input variable entered in other forms, but primarily by the **Company information sheet**.

There are four possible statii of forms and individual questions within forms:

- Complete All required entry fields have been populated
- Possibly Complete All required entry fields have been populated but the data may be inconsistent with other entries. If this is the case an appropriate message will be displayed on the relevant question and the firm is requested to check the entries made.
- Incomplete; and Not all required entry fields are populated – the form will indicate which questions are not completed.
- N/A The question or form is not required.

When the status of the **Control Sheet** is showing as complete the **Return** is read for submission and should be sent to business.change@iomfsa.im. If the status is Possibly Complete and the firm is satisfied that the entries made do not contain errors then the Return is also ready for submission.

Completed submissions are requested by 31 December 2018.

Company information sheet

This form consists of three sections together with a comments section and completion section.

CI-1 Firm information

Firm name

The firm is requested to input the full name of the firm here. This will carry through to all other forms within the **Return**.

As detailed in the **Scope** above, the Authority requires the Return to be completed by each firm undertaking business in the regulated sector. Submissions combining the data of two or more firms will be rejected.

CI-2 Return information

Date of submission

The date of submission is the date that the form is completed and submitted to the Authority.

Reporting reference date

The information requested in the Return is with reference to the year ended 31 December 2017, however it is recognised that some firms are unable to extract information at a historical point in time. The firm is requested to enter 31 December 2017 or such other date as is used as the reporting reference date of the **Return**.

The entry in this field will be carried through to other aspects of the form where data is requested by reference to this date.

Contact name

The name of the person who the Authority should contact if any queries arise in relation to the form.

Email address

The email address of the contact who the Authority should contact if any queries arise in relation to the form is requested here.

CI-3 Regulated business permissions

This section records the permissions of the firm and, based on the input, the **Control Sheet** is updated to reflect the forms required to be completed by the firm.

Where the firm undertakes two or more regulated activities and the customer base of one activity (Activity A) is drawn entirely from the customer base of the other activity (Activity B), in the context of this Return Activity A is incidental to Activity B. For the purposes of this form a business activity cannot be considered to be incidental to an activity outside of the regulated sector.

Firms may wish to explain the basis of inclusion of a business activity as incidental in the comments section of this form.

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CI - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of this form, including, where relevant, an explanation of the basis of inclusion of a business activity as incidental to the principal activity.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Simplified entry form

Background

This form requests certain simplified background information in relation to the size of the firm and the extent of operations locally as well as some high level insight into the compliance and control mechanisms adopted by the firm which assist the governing body of the firm in managing AML/CFT risks.

Scope

This form is a simplified alternative to **Forms A, B0 and B1**. This form is only available to certain firms who undertake activities in the following categories:

- Financial advisors under Class 2 of the FSA08
- FSA08 Class 7 activities – Management of administration services
- FSA08 Class 8 activities – Money Transmission Services
- IA08 – A managed non-life insurer
- IA08 – General insurance intermediary
- IA08 – Insurance managers managing only life assurance entities
- Credit unions

Where the firm undertakes a further activity that requires forms A and B to be completed this form is not available for completion and **Forms A, B0 and B1** should be completed as indicated by the **Control Sheet**.

SE-1 Employees, workers and contractors

The information requested in this section is a simplified version of that requested on **Form A**.

a) The Authority is seeking to understand the number of employees, officers, principals, workers and contractors (collectively the firm's personnel) in respect of the Isle of Man business operations are resident in the Isle of Man and how many are resident outside the Island.

b) Please provide the total number of compliance personnel including the MLRO which are engaged by the firm.

c) Please provide the number of AML/CFT training places filled by the firm's personnel in the year under review.

The information requested in this section will assist the Authority to form a view of the extent of operations undertaken in the Island and together with the provision of the number of compliance personnel the Authority can, over time, monitor trends in AML/CFT training provision and the proportion of compliance personnel compared to the overall workforce for each sector.

For the avoidance of doubt outsourced services should not be included within the above statistics.

SE-2 Banking facilities

This section is new to the **2018 AML/CFT Statistical Return** and seeks to understand the extent to which the firms transactions are undertaken through banks located within the Isle of Man and the extent to which they are undertaken outside of the Island.

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This information will enable the Authority to form a view as to the degree to which activities are banked in the Island.

SE-3 Payment methods

The Authority is seeking to understand the payment methods accepted or utilised by the firm for incoming and outgoing transfer of wealth to and from customers in respect of regulated business carried on.

The Authority appreciates that some payment methods are utilised or accepted as part of ‘business as usual’, others are accepted on a case by case basis after due consideration of the risks presenting and others are not acceptable by policy of the firm.

For each listed payment method please indicate for each of the incoming and outgoing flows whether the firm utilises the payment method and the frequency from the following:

- *Usual* – This method is used frequently as part of business as usual
- *Occasional* – Whilst considered to be a method within business as usual the frequency is less
- *By exception* – Not a method utilised within business as usual and requires consideration of risk and senior sign off before accepted
- *Never* – Method is not utilised by the business
- *Unknown*

SE-4 Screening

The information requested in this section is a simplified version of that requested in [Forms B0](#).

Screening of customers, the beneficial owner and other parties to the business relationship is a key component of the customer due diligence process, the nature and extent of which will vary according to risk.

This question seeks to collate statistical information about the timing and frequency of PEP and sanctions screening.

PEP screening is where a firm seeks to establish whether a customer is or is associated with a PEP by comparing the identity of the customer and other parties to the business relationship to a database of politically exposed persons.

Sanction screening is where a firm compares the identity of the customer, beneficial owner and other parties to the business relationship to sanction lists in issue in order to identify a person or entity on any sanctions list.

- a) The firm is asked to indicate whether it undertakes PEP screening at the commencement of the business relationship. Firms should respond “Y” where procedures have been in place for the whole of the year under review and “N” where this is not the case.

The firm is also asked whether it undertakes PEP screening of existing clients and where this is the case to indicate the frequency at which this is undertaken by the firm.

- b) The firm is asked to indicate whether it undertakes sanctions screening at the commencement of the business relationship. Firms should respond “Y” where procedures have been in place for the whole of the year under review and “N” where this is not the case.

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The firm is also asked whether it undertakes sanctions screening of existing clients and where this is the case to indicate the frequency at which this is undertaken by the firm.

SE - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of the [Simplified entry form](#).

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form A – Understanding the firm

Background

Form A provides certain background information in relation to the size of the firm and the extent of operations locally and, in relation to the business undertaken in or from the Isle of Man, the extent of operations outside the Island. In addition certain other information about the payment methods and banking facilities is also requested on this form.

Scope

This Form A is to be completed by all firms that do not complete the [Simplified Entry Form](#). Section 2 of this form is not required where the firm undertakes deposit taking activities.

A-1. Employees, workers and contractors

The information requested here will assist the Authority to form a view of the extent of operations undertaken inside and outside of the Island.

This question relates only to personnel engaged in respect of the Isle of Man business operations.

a) The Authority is seeking to understand if the firm engages personnel who are resident outside of the Island, but only to the extent those persons are engaged in the Isle of Man business operations.

b) In this part of the question the Authority requests details of the number of Isle of Man resident directors, officers, employees, workers and contractors in respect of the Isle of Man business operations and how many such positions were vacant as at the period end.

Where in part a) the firm indicated that the firm engages personnel resident outside the Isle of Man further similar information is requested in relation to personnel resident outside the Island.

The question requests information about the number of people engaged and the full time equivalent of those persons. Thus if a firm employs two staff members and one of those only works for 25% of the hours of a full time employee, the FTE would be 1.25.

This information will assist the Authority to form a view of the extent of operations undertaken in the Island.

A-2 Banking facilities

This section is not required to be completed by those firms undertaking deposit taking activities.

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand the extent to which the firms transactions are undertaken through banks located within the Isle of Man and the extent to which they are undertaken outside of the Island.

This information will enable the Authority to form a view as to the degree to which activities are banked in the Island.

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A-3 Payment methods

The Authority is seeking to understand the payment methods accepted or utilised by the firm for incoming and outgoing transfer of wealth to and from customers in respect of regulated business carried on.

The Authority appreciates that some payment methods are utilised or accepted as part of 'business as usual', others are accepted on a case by case basis after due consideration of the risks presenting and others are not acceptable by policy of the firm.

For each listed payment method please indicate for each of the incoming and outgoing flows whether the firm utilises the payment method and the frequency from the following:

- *Usual* – This method is used frequently as part of business as usual
- *Occasional* – Whilst considered to be a method within business as usual the frequency is less
- *By exception* – Not a method utilised within business as usual and requires consideration of risk and senior sign off before accepted
- *Never* – Method is not utilised by the business
- *Unknown*

A-4. Regulatory oversight for AML/CFT

Where the firm has regulatory permissions to conduct business in a jurisdiction other than the Isle of Man, the firm may also be required to comply with AML/CFT requirements of that overseas jurisdiction. If this is the case please indicate this by placing a 'Y' in the box provided, otherwise please insert an 'N'.

Where this is the case please also provide details of the overseas regulator, the relevant jurisdiction any 'registration or authorisation number' issued to the firm by the overseas regulator and, where applicable, the name of the contact responsible for the relationship with the firm at the overseas regulator.

For the avoidance of doubt where the Isle of Man operations consist of a branch of a firm headquartered elsewhere, only the lead regulator details are required.

It is expected that all firms should be able to provide this information on an actual basis.

A - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form A.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form B0 – AML/CFT Control Environment

Background

Form B0 provides the Authority with some basic information about the number of compliance personnel within the firm and AML/CFT training undertaken in the year under review. In addition certain information is requested about outsourcing, monitoring the AML/CFT controls and the monitoring and screening procedures adopted by the firm as well as some information about the risk categorisation of customers.

In this return the risk categories of higher, standard and lower are utilised as the majority of firm adopt a three tier categorisation of risk. Question B0-5 seeks information about the categories of risk utilised by the firm and how these are mapped to the categories used in the form. In all instances a firm is requested to ensure that only items categorised as higher under the AML/CFT Code should be categorised as higher in this return.

Scope

This Form B0 is to be completed by all firms that do not complete the [Simplified Entry Form](#).

B0-1 Compliance personnel

The information requested in this section will assist the Authority to, over time, monitor trends in the proportion of compliance personnel compared to the overall workforce for each sector.

The question requests information about the number of compliance personnel engaged by the firm and the full time equivalent of those persons. Thus if a firm employs two compliance personnel and one of those only works for 25% of the hours of a full time employee, the FTE would be 1.25.

Firms should indicate whether the responses to this question have been provided on an actual or best endeavours basis.

B0-2 AML/CFT training

Through question B0-2 the Authority seeks to gain statistics of the various types of training provided to firms over the course of the year under review and to how many individuals.

In considering this the Authority has classified training into three categories. Firms are asked to consider into which category the training provided best fits.

'Induction or detailed training' being detailed training of the firm's AML/CFT obligations and the control and compliance framework in place at the firm to manage ML/TF risk and to ensure compliance with those legal and regulatory obligations.

'Refresher training' being the annual training provided to all employees of a more general nature, designed to refresh memory and to update in relation to changes to the regulatory and internal frameworks.

'Specialist training' is the training provided to individuals who have decision making responsibility or oversight for the AML/CFT risk and control framework adopted by the firm.

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Through an analysis of this data the Authority can understand the development of training in conjunction with changes to the legal and regulatory obligations, ML/FT typologies pertinent to the sector and any other industry wide changes that may have an impact on the type and frequency of training provided to individuals.

It is expected that all firms should be able to provide this information on an actual basis.

B0-3 Outsourced activities

In respect of each of the specified activities please indicate whether the activity was undertaken by the firm, outsourced to a fellow group entity or was outsourced to a third party at any point throughout the year under review. Where activities were both undertaken by the firm and an outsourced provider then this should be shown by selecting “Yes” for all applicable instances.

B0-4 Monitoring and testing compliance with the AML/CFT requirements

The Authority wishes to understand who undertakes the monitoring and testing of compliance of the AML/CFT internal control environment and whether that person or persons:

- have appropriate independence from AML/CFT operational functions;
- reports its findings direct to the governing body of the firm or audit committee; and
- has sufficient status within the organisation.

Firms *may* wish to include within the comments section in A-7 any additional information that may be relevant to the assessments made.

B0-5 Risk categories

The AML/CFT Code only considers higher risk customers and non-higher risk customers. The Authority recognises that the majority of firms categorise the risk of their customers into one of three categories. Reflecting this, three categories of ML/TF risk are utilised in this [Return](#), being higher, standard or lower.

This question enables the firm to explain to the Authority the risk categories used by the firm and how they map to the three categories shown thereby enabling firms to respond to the questions in a manner that reflects their own risk categorisation.

When mapping risk categories firms should ensure that where the customer risk of ML/FT has been assessed as higher in accordance with the AML/CFT Code that these customers, and only these customers, are shown within the higher risk category within the return.

This question cannot be completed unless the firm details a category of risk that maps to the higher risk category being the one category of risk specifically considered in the AML/CFT Code.

If no risk category is mapped to the standard or lower risks, then the firm is asked to confirm that this is the case and later questions will be amended to reflect this.

B0-6 Screening

Screening of customers and other parties to the business relationship is a key component of the customer due diligence process, the nature and extent of which will vary according to risk.

This question seeks to collate statistical information about the timing and frequency of four different screening objectives in respect of each risk category.

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PEP screening is where a firm seeks to establish whether a customer is or is associated with a PEP by comparing the identity of the customer and other parties to the business relationship to a database of politically exposed persons.

Sanction screening is where a firm compares the identity of the customer and other parties to the business relationship to sanction lists in issue in order to identify a person or entity on any sanctions list.

Terrorism screening is where a firm seeks to establish whether a customer or any other party to the business relationship has links to terrorism.

Negative press matching is where a firm seeks to establish whether a customer or any other party to the business relationship is negatively portrayed in the press or other public arena.

- i. The firm is asked to indicate, for each risk category of customer and each of the four screening objectives, whether it undertakes screening at the commencement of the business relationship. Firms should respond “Y” where procedures have been in place for the whole of the year under review and “N” where this is not the case.

It is expected that all firms should be able to provide this information on an actual basis.

Part ii) is in respect of existing customers:

The firm is asked to indicate the frequency at which it undertakes screening of existing clients for each risk category of customer and each screening objective. Please select the frequency that best reflects the frequency adopted by the firm.

Screening may also be applied when certain events occur. The Authority is interested to understand whether additional screening is applied in addition to the frequency of screening applied above when sanction lists are updated or published, at the occurrence of a trigger event, at an unusual activity event (as defined by the AML/CFT Code) or suspicious activity event (as defined by the AML/CFT Code).

Firms should respond “Y” where procedures have been in place for the whole of the period under review and “N” where this is not the case.

It is expected that all firms should be able to provide this information on an actual basis.

B0-7 Monitoring

Ongoing monitoring is the scrutiny of transactions and other activities to determine whether they are consistent with the firm’s knowledge of the customer and the nature and purpose of the product or service provided and the business relationship. Monitoring also involves identifying changes to the customer profile (for example, their behaviour, use of products and size and frequency of transactions), and keeping it up to date, which may require the application of new, or additional, CDD measures. On-going monitoring is an essential component in identifying activities that are unusual or suspicious.

The nature and extent of on-going monitoring procedures can vary according to the customer risk and type of customer. This question seeks to understand for each customer type listed below and the risk

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categorisation of that customer the type of ongoing monitoring performed and the frequency of that monitoring.

The customer types are split into:

- i. **PEPs** being those customers who are associated with a PEP, within the meaning of paragraph 14(1) of the AML/CFT Code, whether the customer is an individual or legal person or legal arrangement.
- ii. **Individuals not associated with PEPs** – being any customer that is an individual or a number of individuals that are not associated with a PEP.
- iii. **Other customers not associated with PEPs** – being any customer who is not a natural person who is also not associated with a PEP.

The responses required are to indicate for each of the ongoing monitoring activities listed (review of customer risk assessment, review of customer due diligence and scrutiny of transactions) the frequency of monitoring by risk categorisation. The possible responses are:

- At least annually
- At least once every three years
- At trigger events only
- Constant automated review

It is expected that all firms should be able to provide this information on an actual basis.

B0 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form B0**.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form B1 – Monitoring and screening procedures – deposit taking and MTS

Background

Form B1 provides the Authority with some further detailed information in respect of payment screening and transaction monitoring undertaken by the firm.

Scope

This Form B1 is to be completed by all deposit taking firms and all firms undertaking MTS activities within Classes 8(2)(a) or 8(4).

B1-1 Payment screening

In addition to the screening of customers, parties to payments are also screened to identify persons or entities on sanctions lists thereby reducing the risk of payments being made to or received from a person on a sanctions list or relating to restricted activities.

- a) This question seeks to understand for each of SWIFT, BACs and FASTER payment types, whether the sender, beneficiary or other party to the payment is screened and if so, if the screening is performed on a real time transactional basis, prior to the transaction occurring or after the transaction completing. Information is also sought as which sanction lists are utilised for both incoming and outgoing payments.
- b) Where screening is undertaken subsequent to the payment transaction completing please detail in the box provided the timeframe in which screening is performed.
- c) Where published lists are used other than the sanction lists published by the Isle of Man, United Kingdom, European Union or United States please state in the box provided which public lists are referred to.

B1-1 Scrutiny of transactions

This question provides a more in-depth analysis of the response to B0-7 in respect of on-going monitoring and scrutiny of transactions.

In this question the firm is requested to indicate whether for each category of customer transactions are scrutinised:

- i. Constantly via a transactional monitoring system;
- ii. Through system generated exception reports;
- iii. At trigger events;
- iv. With reference to a pre-determined value limit;
- v. As a result of cash activity;
- vi. By reference to the geographic origin or destination of transaction;
- vii. As a result of an external event, e.g. the update by FATF of the high-risk jurisdictions list;
- viii. As a result of scheduled periodic reviews and sampling.

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B1 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form B1**.

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C0 – Understanding the customer base

This form should only be completed by firms with the following permissions activity:

- Financial advisors under Class 2 of the FSA08
- FSA08 Class 6 activities – Crowdfunding platforms
- FSA08 Class 8 activities – Money Transmission Services
- IA08 – General insurance intermediary
- Credit unions

Where the firm also undertakes other activities falling within Class 2 of the FSA08 then Financial Advisors and General insurance intermediaries will be asked to complete **Form C2** instead of **Form C0**.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand ‘a picture’ of the firm and requests that the firm provide the information on a best endeavour’s basis using its detailed understanding and knowledge of its customers and new business processing.

C0-1. Size and significance of customer base of the firm

The Authority seeks to obtain some high-level information about the size of the firm’s customer base as at the reporting reference date and how many customers are material to the firm’s income. In this context the Authority is interested to understand how many customers exist which alone or with associates account for more than 20% of the firm’s income.

Firms should indicate the basis on which responses to this question have been provided.

C0-2. New customer relationships and terminations

The Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs).

The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing accounts were terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

C0-3. ML/FT risk profile of all customers

This question seeks to understand the ML/FT risk profile of the firm’s customers as assessed by the firm.

Please indicate how many customers, as at the reporting reference date, fall within each risk category. The answer to this question should reconcile to the number of customers detailed in **C0-1**.

Firms should indicate the basis on which responses to this question have been provided.

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C0-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm.

Please indicate how many new customer business relationships, as at the reporting reference date, fall within each risk category. The answer to this question should reconcile to the number of new customer business relationships detailed in [C0-2](#).

Firms should indicate the basis on which responses to this question have been provided.

C0-5. PEPs

This question seeks to understand how many customers are PEP's or are associated with a PEP. The firm is asked to indicate how many customers as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in [C0-1](#).

Firms should indicate the basis on which responses to this question have been provided.

C0-6. Face to face business

This question is only required where the business activities of the firm are restricted to those listed above. Where other activities within the regulated sector are also undertaken this question will not be visible.

In this question the Authority requests information about the face to face nature, or otherwise, of the new customer business relationships established in the year. Firms are asked to indicate, in respect of new customer relationships entered into in the year under review, the number of customers which the firm met face to face, those met by a related party of the same group and those not met face to face. The answer to this question should reconcile to the number of new customer business relationships detailed in [C0-2](#).

Firms should indicate the basis on which responses to this question have been provided.

C0-7. Reliance on third parties for CDD collection

This question is only required where the business activities of the firm are restricted to those listed above. Where other activities within the regulated sector are also undertaken this question will not be visible.

This question seeks to understand the extent of reliance on third parties for the collection of CDD and verification of identity of the customer of the firm.

In relation to new customer business relationships established in the year under review, firms are asked to indicate the number new customer business relationships where the firm has placed reliance in the collection of CDD or verification of identity of third parties and whether the firm understands in all cases who has met the customer on a face to face basis. This information is requested in the following categories:

Where *reliance is placed on third parties* – in this category CDD has been collected by a third party and:

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- where the firm collects, via the third party, CDD to verify the identity of the customer and the evidence of identity has been certified and the firm holds an original certification of the copy of the original documents;
- where the firm collects, via the third party, CDD to verify the identity of the customer and the evidence of identity has been certified and the firm holds a copy of the original certification of the copy of the original documents; or
- is retained by the eligible introducer, through the utilisation of the concession permitted by paragraph 23 of the AML/CFT Code.

Where *no reliance is placed on third parties* – in this category the CDD is collected by the firm direct from the customer and:

- the CDD is provided to the firm via remote means (not on a face to face basis) likely by email or the postal service; or
- the CDD is provided to the firm on a face to face basis.

Where *no reliance is placed on third parties as other concessions are utilised* – in this category the firm utilises concessions which permit the delay of verification of identity or do not require the verification of identity.

It is not anticipated that the answer to this question will reconcile to the number of new customer business relationships detailed in C0-2 and therefore this relationship is not enforced.

Firms should indicate the basis on which responses to this question have been provided.

C0-8. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the customer level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single customer the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	<input type="text" value="Y"/>	<input type="text" value="1"/>

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Acting on behalf of [para 21]	<input type="text" value="N"/>	<input type="text"/>
Generic designated business [para 22]	<input type="text" value="N"/>	<input type="text"/>
Eligible introducers [para 23]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Insurer concessions [para 24(1)-(5)]	<input type="text" value="N"/>	<input type="text"/>
Scheme concessions [para 24(7),(8),(11)]	<input type="text" value="N"/>	<input type="text"/>

Firms should indicate the basis on which responses to this question have been provided.

C0-9. Enhanced due diligence (EDD)

This section is new to the **2018 AML/CFT Statistical Return** and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in **C0-4**, are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

C0 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form C0**.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C1 – Understanding the customer base – deposit taking

This form should only be completed by firms with deposit taking permissions (FSA08 - Class 1).

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

C1-1. Size and significance of customer base of the firm

a) Customers

The Authority wishes to understand the number of customers with non zero accounts as at the reporting reference date. In this context 'non-zero' means accounts with a balance of value.

The Authority also seeks to establish how many of those customers are material to the firm's income. In this context the Authority is interested to understand how many customers exist which alone or with associates account for more than 20% of the firm's income.

b) Accounts

The Authority seeks to obtain some high-level information about the number of non-zero accounts as at the reporting reference date

The information requested should be classified according to the following customer types:

- IOM resident natural persons
- Natural persons not resident in the IOM
- IOM charities or NPOs
- Non IOM charities or NPOs
- Corporates and trusts managed by IOM TCSPs
- Other corporate and trust customers (other than banks)
- Other clients, including banks and the public sector

Where it is unclear into which customer categorisation a client falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

C1-2. New customer relationships and terminations

For each of the client types considered in C1-1, the Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs).

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The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing accounts were terminated for ML or FT purposes in the year.

It is recognised that some deposit takers collate information at a customer level and some at an account level and therefore the firm may choose to respond to this question at a customer level or account level. Please indicate the basis used.

Firms should indicate the basis on which responses to this question have been provided.

C1-3. ML/FT risk profile of all customers

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C1-1, please indicate how many customers, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5.

For this question Charities and NPO's should be included within the 'Other clients' category.

Where it is easier for the firm to answer this question from the perspective of the number of customer accounts as opposed to the number of customers please do so, clearly indicating in the box provided the basis utilised. The answer to this question should reconcile to the number of customers or accounts (as appropriate) detailed in C1-1.

Firms should indicate the basis on which responses to this question have been provided.

C1-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C1-3, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in C1-2.

Firms should indicate the basis on which responses to this question have been provided.

C1-5. PEPs

This question seeks to understand how many customers are PEP's or are associated with a PEP. The firm is asked to indicate how many customers as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in C1-1.

Firms should indicate the basis on which responses to this question have been provided.

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C1-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Acting on behalf of [para 21]	<input type="text" value="N"/>	<input type="text"/>
Eligible introducers [para 23]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Scheme concessions [para 24(7),(8),(11)]	<input type="text" value="N"/>	<input type="text"/>

Firms should indicate the basis on which responses to this question have been provided.

C1-7. Enhanced due diligence (EDD)

This section is new to the 2018 AML/CFT Statistical Return and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in C1-4, are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include

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additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

C1 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form C1.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C2 – Understanding the customer base – investment business

This form should only be completed by firms with investment business permissions (FSA08 - Class 2).

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

C2-1. Size and significance of customer base of the firm

c) Customers

The Authority wishes to understand the number of customers as at the reporting reference date.

The Authority also seeks to establish how many of those customers are material to the firm's income. In this context the Authority is interested to understand how many customers exist which alone or with associates account for more than 20% of the firm's income.

d) Accounts

The Authority seeks to obtain some high-level information about the number of investment business accounts as at the reporting reference date

The information requested should be classified according to the following customer types:

- IOM resident natural persons
- Natural persons not resident in the IOM
- Corporates and trusts managed by IOM TCSPs
- Other corporate and trust customers
- Other customers, including the public sector

Where it is unclear into which customer categorisation a customer falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

C2-2. New customer relationships and terminations

For each of the client types considered in C2-1, the Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs).

The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing accounts were terminated for ML or FT purposes in the year.

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It is recognised that some investment firms collate information at a customer level and some at an account level and therefore the firm may choose to respond to this question at a customer level or account level. Please indicate the basis used.

Firms should indicate the basis on which responses to this question have been provided.

C2-3. ML/FT risk profile of all customers

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C2-1, please indicate how many customers, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5.

Where it is easier for the firm to answer this question from the perspective of the number of customer accounts as opposed to the number of customers please do so, clearly indicating in the box provided the basis utilised. The answer to this question should reconcile to the number of customers or accounts (as appropriate) detailed in C2-1.

Firms should indicate the basis on which responses to this question have been provided.

C2-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C2-1, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in C2-2.

Firms should indicate the basis on which responses to this question have been provided.

C2-5. PEPs

This question seeks to understand how many customers are PEP's or are associated with a PEP. The firm is asked to indicate how many customers as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in C2-1.

Firms should indicate the basis on which responses to this question have been provided.

C2-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this

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information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	Y	1
Acting on behalf of [para 21]	N	
Eligible introducers [para 23]	Y	1
Scheme concessions [para 24(7),(8),(11)]	N	

Firms should indicate the basis on which responses to this question have been provided.

C2-7. Enhanced due diligence (EDD)

This section is new to the 2018 AML/CFT Statistical Return and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in C2-4, are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

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C2 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form C2.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C3A – Understanding the collective investment schemes

This form should only be completed by firms with the services to collective investment scheme permissions (FSA08 - Class 3 – all sub classes) and seeks to collate information about the risk profile of the schemes themselves (as opposed to the investor profile which is considered in Form C3B).

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

C3A-1. Size and significance of scheme base

Through question a)i) the Authority seeks to obtain some high-level information about the number of schemes to which the firm provides services as at the reporting reference date.

Question ii) seeks to establish how many schemes to which the firm provides services as at the reporting reference date are material to the firm's income. In this context the Authority is interested to understand how many schemes exist which alone or with sub or umbrella funds account for more than 20% of the firm's income.

Firms should indicate the basis on which responses to this question have been provided.

C3A-2. New customer relationships and terminations

The Authority seeks to obtain some high-level information about the number of new schemes on boarded in the year and the number of schemes with whom contracts were terminated in the year (ons and offs).

The Authority is also seeking to understand how many potential new schemes were declined for ML/FT purposes and how many existing scheme relationships were terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

C3A-3. AML/CFT risk profile of schemes

This question seeks to understand the ML/FT risk profile of the customers (schemes) to which the firm provides services as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

Please indicate how many customers, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5.

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Responses to this question should be split into those schemes which are IOM schemes and those which are non IOM schemes. The answer to this question should reconcile to the number of customers or accounts (as appropriate) detailed in [C3A-1](#).

Firms should indicate the basis on which responses to this question have been provided.

C3A-4. AML/CFT risk profile of all new customers relationships

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question [B0-5](#) on [Form B0](#).

Please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in [B0-5](#). The answer to this question should reconcile to the number of new customer business relationships detailed in [C3A-2](#).

Firms should indicate the basis on which responses to this question have been provided.

C3A-5. PEPs

This question seeks to understand how many schemes are associated with a PEP. The firm is asked to indicate how many schemes as at the reporting reference date are associated with a domestic PEP and how many are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in [C3A-1](#).

Firms should indicate the basis on which responses to this question have been provided.

C3A-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

Do you use this concession	How many customers No.
----------------------------------	------------------------------

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Acceptable applicants [para 20]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Acting on behalf of [para 21]	<input type="text" value="N"/>	<input type="text"/>
Eligible introducers [para 23]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Scheme concessions [para 24(7),(8),(11)]	<input type="text" value="N"/>	<input type="text"/>

Firms should indicate the basis on which responses to this question have been provided.

C3A-7. Enhanced due diligence (EDD)

This section is new to the **2018 AML/CFT Statistical Return** and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in **C3A-4**, are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

C3A - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form C3A**.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C3B – Understanding the investor base investing in funds

This form should only be completed by firms with the permissions to undertake services to collective investment schemes (FSA08 - Class 3) within the subclasses (1), (2), (9), (10), (11) and (12). Form C3B seeks to collate information about the risk profile of the investors into the funds (as opposed to the risk profile of the scheme itself which is considered in Form C3A).

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

C3B-1. Size and significance of investor base of the firm

Through question a) the Authority seeks to obtain some high-level information about the number of investors investing in schemes to which the firm provides services as at the reporting reference date.

The above information is requested across the investor base with investors being classified into the specified investor types. Where it is unclear into which investor categorisation an investor falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

C3B-2. New customer relationships and terminations

The Authority seeks to obtain some high-level information about the number of new investors subscribing in the year and the number of investors who redeemed their entire holdings in schemes in the year (ons and offs).

The Authority is also seeking to understand how many new investors were declined business for ML/FT purposes and how many existing investors were terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

C3B-3. AML/CFT risk profile of investors

This question seeks to understand the ML/FT risk profile of the investor base investing into schemes as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

The firm is asked to indicate how many investors as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5.

Firms should indicate the basis on which responses to this question have been provided.

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C3B-4. AML/CFT risk profile of all new customers relationships

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

Please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in C3B-2.

Firms should indicate the basis on which responses to this question have been provided.

C3B-5. PEPs

This question seeks to understand how many investors are PEP's or are associated with a PEP. The firm is asked to indicate how many investors as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in C3B-1.

Firms should indicate the basis on which responses to this question have been provided.

C3B-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Acting on behalf of [para 21]	<input type="text" value="N"/>	<input type="text"/>
Eligible introducers [para 23]	<input type="text" value="Y"/>	<input type="text" value="1"/>

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Scheme concessions [para 24(7),(8),(11)]

N

Firms should indicate the basis on which responses to this question have been provided.

C3B-7. Enhanced due diligence (EDD)

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in [C3B-4](#), are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

C3B - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of [Form C3B](#).

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form C4 – Understanding the customer base – trust and corporate providers

This form should only be completed by firms licenced to undertake Class 4 or Class 5 activities under the FSA08 (trust and corporate service providers).

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

This form considers the trust and corporate services provided by firms from two separate perspectives. From the perspective of the **Principal** being the person with who the firm contracts for the provision of services. The Principal may be acting on his own behalf or acting under the instructions of another. The other perspective considered is from the perspective of the **client entities** being the corporate and trust entities for which services are provided.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

C4-1. Size and significance of customer base of the firm

Through question a) the Authority seeks to obtain some high-level information about the number of client entities to which the firm provides services as at the reporting reference date.

The Authority requests that client entities are classified into the following categories for this purpose:

- Corporate entities – fully managed basis
- Corporate entities – mixed board basis
- Corporate entities – registered office or registered agent basis only
- Trusts – fully managed basis
- Trusts – joint trustee basis
- Trusts - administration only
- Exempt schemes

Where it is unclear into which categorisation a client entity falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Question ii) seeks to establish how many principals as at the reporting reference date are material to the firm's income. In this context the Authority is interested to understand how many principals exist which alone or with associates account for more than 20% of the firm's income.

Firms should indicate the basis on which responses to this question have been provided.

C4-2. New customer relationships and terminations

This question is in relation to the principals with whom the firm contracts. The Authority seeks to obtain some high-level information about the number of new principals on boarded in the year and the number of client entities associated to those principals. Information about the number of principals who ceased business with the firm in the year is also requested.

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The Authority is also seeking to understand how many principals were declined business for ML/FT purposes and how many existing principals with whom business was terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

C4-3. AML/CFT risk profile of customers

This question seeks to understand the ML/FT risk profile of the firm's client entities as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C4-1, please indicate how many client entities, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of client entities detailed in C4-1.

Firms should indicate the basis on which responses to this question have been provided.

C4-4. AML/CFT risk profile of all new customers relationships

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in C4-1, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in C4-2.

Firms should indicate the basis on which responses to this question have been provided.

C4-5. PEPs

This question seeks to understand how many client entities are associated with a PEP.

The firm is asked to indicate how many client entities as at the reporting reference date are associated with a domestic PEP and how many are associated with a foreign PEP. The answer to this question should reconcile to the number of customers detailed in C4-1.

Firms should indicate the basis on which responses to this question have been provided.

C4-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

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In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	Y	1
Acting on behalf of [para 21]	N	
Eligible introducers [para 23]	Y	1
Scheme concessions [para 24(7),(8),(11)]	N	

Firms should indicate the basis on which responses to this question have been provided.

C4-7. Enhanced due diligence (EDD)

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in [C4-4](#), are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

C4-8. Legal form of client entities

Whilst it is appreciated that question 7 of the Annual Regulatory Return collates certain information about the number of client entities in respect of which a firm carries on Class 4 activities, this question requests this information to be presented in a different form and in more detail than that shown in the Annual Regulatory Return.

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Firms should indicate the basis on which responses to this question have been provided.

C4-9. Assets under management

In order to assess the size and significance of the firm's business it is necessary, in addition to understanding the number of client entities to which services are provided, to also understand the level of assets under management.

Using the balance sheets of the client entities to which services are provided, where the balance sheet date falls within the calendar year 2017, please indicate the aggregate value of the total assets of the client entities to which services are provided. Where this is not possible please provide an estimate of the value of assets under management, perhaps based on the value that the firm provides to the PI insurers.

Assets under management should be rounded to the nearest million in pounds sterling.

Firms should indicate the basis on which responses to this question have been provided.

C4-10. Principal activity of client entities

The Authority is interested in understanding the principal activity of each client entity to which services are provided. Using the following high level categorisation the firm is asked indicate the principal activity between trading, asset holding, charitable activities and other activities and to apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

C4 - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of [Form C4](#).

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form CLT – Understanding the customer base – long term insurers

This form should only be completed by firms who are authorised to undertake long term insurance business under the IA08.

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

CLT-1. Size and significance of customer base of the firm

The Authority wishes to understand the number of policyholders with in-force policies and number of policies in issue as at the reporting reference date.

The Authority also seeks to establish how many of the policyholders are material to the firm's income. In this context the Authority is interested to understand how many policyholders exist which alone or with associates account for more than 20% of the firm's income.

The information requested should be classified according to the following product types:

- Single premium investments
- Portfolio bonds (where private company shares are **not** a permissible investment type)
- Portfolio bonds (where private company shares are a permissible investment type)
- Single premium capital redemption bonds
- Regular premium capital redemption bonds
- Regular premium savings
- Pure protection contracts

Where it is unclear into which product categorisation a policy falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

CLT-2. New customer relationships and terminations

For each of the product types considered in **CLT-1**, the Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs). In this context please indicate the number of new policies issued in the year and the number of owners of those policies, as well as the number of policies surrendered, matured or lapsed in the year (a policy that lapses more than once should be counted as one).

The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing policies were terminated for ML or FT purposes in the year.

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Firms should indicate the basis on which responses to this question have been provided.

CLT-3. AML/CFT risk profile of customers / policies

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in CLT-1, please indicate how many policyholders / policies, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5.

Where it is easier for the firm to answer this question from the perspective of the number of policies as opposed to the number of policyholders please do so, clearly indicating in the box provided the basis utilised. The answer to this question should reconcile to the number of policyholders or policies (as appropriate) detailed in CLT-1.

Firms should indicate the basis on which responses to this question have been provided.

CLT-4. ML/FT risk profile of all new customer relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in CLT-1, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in CLT-2.

Firms should indicate the basis on which responses to this question have been provided.

CLT-5. PEPs

This question seeks to understand how many policyholders are PEP's or are associated with a PEP.

The firm is asked to indicate how many policyholders as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in CLT-1.

Firms should indicate the basis on which responses to this question have been provided.

CLT-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

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In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	Y	1
Acting on behalf of [para 21]	N	
Eligible introducers [para 23]	Y	1
Scheme concessions [para 24(7),(8),(11)]	N	

Firms should indicate the basis on which responses to this question have been provided.

CLT-7. Enhanced due diligence (EDD)

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in [CLT-4](#), are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

CLT - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of [Form CLT](#).

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Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form CGI – Understanding the customer base – self managed non-life insurer

This form should only be completed by self-managed authorised insurers undertaking non-life insurance business within classes 3-9, 11-13.

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

CCG-1. Size and significance of customer base of the firm

The Authority wishes to understand the number of policyholders with in-force policies and number of policies in issue as at the reporting reference date.

The Authority also seeks to establish how many of the policyholders are material to the firm's income. In this context the Authority is interested to understand how many policyholders exist which alone or with associates account for more than 20% of the firm's income.

The information requested should be classified according to the stated policyholder categorisations. Where it is unclear into which categorisation a policyholder falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

CLT-2. New customer relationships and terminations

For each of the product types considered in **CGI-1**, the Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs). In this context please indicate the number of new policies issued in the year and the number of owners of those policies, as well as the number of policies surrendered, matured or lapsed in the year (a policy that lapses more than once should be counted as one).

The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing policies were terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

CGI-3. AML/CFT risk profile of policyholders

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question **B0-5** on **Form B0**.

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For each of the client types considered in **CGI-1**, please indicate how many policyholders / policies, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in **B0-5**.

Where it is easier for the firm to answer this question from the perspective of the number of policies as opposed to the number of policyholders please do so, clearly indicating in the box provided the basis utilised. The answer to this question should reconcile to the number of policyholders or policies (as appropriate) detailed in **CGI-1**.

Firms should indicate the basis on which responses to this question have been provided.

CGI-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question **B0-5** on **Form B0**.

For each of the client types considered in **CGI-1**, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in **B0-5**. The answer to this question should reconcile to the number of new customer business relationships detailed in **CGI-2**.

Firms should indicate the basis on which responses to this question have been provided.

CGI-5. PEPs

This question seeks to understand how many policyholders are PEP's or are associated with a PEP.

The firm is asked to indicate how many policyholders as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the number of customers detailed in **CGI-1**.

Firms should indicate the basis on which responses to this question have been provided.

CGI-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A,

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acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	Y	1
Acting on behalf of [para 21]	N	
Eligible introducers [para 23]	Y	1
Scheme concessions [para 24(7),(8),(11)]	N	

Firms should indicate the basis on which responses to this question have been provided.

CGI-7. Enhanced due diligence (EDD)

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in [CGI-4](#), are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

CGI-8 Classification of insurer

Firms are asked to indicate the classification of insurer type best reflects the firm.

Self insurer – a firm that underwrites the insurance risks of its own group.

Producer owned – a firm that underwrites the risks of customers of a company within the same ownership structure of the firm. The insurance may be written through a fronting insurer in the first instance.

Third party writer – a firm that underwrites the insurance risks of parties that are not related parties.

Combination

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CGI - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form CGI.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form CIM – Understanding the customer base – insurance manager of non-life insurers

This form should only be completed by firms which are registered as an insurance manager and which manage insurers which write non-life insurance business.

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

CIM-1. Size and significance of customer base of the firm

The Authority seeks to obtain some high-level information about the size of the firm's customer base as at the reporting reference date and how many customers are material to the firm's income. In this context the Authority is interested to understand how many customers exist which alone or with associates account for more than 20% of the firm's income.

The information requested should be classified according to the stated insurer categories.

Where it is unclear into which categorisation an insurer falls, the firm is asked to use its best judgement and apply a consistent methodology in the allocation basis.

Firms should indicate the basis on which responses to this question have been provided.

CIM-2. New customer relationships and terminations

The Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs).

The Authority is also seeking to understand how many new applications were declined for ML/FT purposes and how many existing accounts were terminated for ML or FT purposes in the year.

Firms should indicate the basis on which responses to this question have been provided.

CIM-2. AML/CFT risk profile of all customers

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question **B0-5** on **Form B0**.

For each of the client types considered in **C1-1**, please indicate how many customers, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as

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indicated in B0-5. The answer to this question should reconcile to the number of customers detailed in CIM-1.

Firms should indicate the basis on which responses to this question have been provided.

CIM-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in CIM-1, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in CIM-2.

Firms should indicate the basis on which responses to this question have been provided.

CIM-5. PEPs

This question seeks to understand how many insurers are associated with a PEP. The firm is asked to indicate how many insurers as at the reporting reference date are associated with a domestic PEP or foreign PEP and how many are not. The answer to this question should reconcile to the number of customers detailed in CIM-1.

Firms should indicate the basis on which responses to this question have been provided.

C1-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

Do you use this concession	How many customers No.
----------------------------------	------------------------------

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Acceptable applicants [para 20]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Acting on behalf of [para 21]	<input type="text" value="N"/>	<input type="text"/>
Eligible introducers [para 23]	<input type="text" value="Y"/>	<input type="text" value="1"/>
Scheme concessions [para 24(7),(8),(11)]	<input type="text" value="N"/>	<input type="text"/>

Firms should indicate the basis on which responses to this question have been provided.

C1-7. Enhanced due diligence (EDD)

This section is new to the [2018 AML/CFT Statistical Return](#) and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in [CIM-4](#), are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

CIM - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of [Form CIM](#).

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form CPEN – Understanding the customer base – registered schemes administrators

This form should only be completed by firms who are registered as a scheme administrator under the RBSA00.

Form C provides the Authority with statistical information about the customers and products of the firm. This form is industry specific and firms are asked to ensure that they complete the correct form relevant for the permissions held remembering that where a firm holds a number of permissions that the relevant form for each permission is required except where the permission is incidental to the firm's principal activity.

In this form client is interpreted according to whether the scheme is an occupational or personal scheme. Where the scheme is an occupational scheme client means the employer(s) and where the scheme is a personal schemes client should be interpreted as meaning the member.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand 'a picture' of the firm and requests that the firm provide the information on a best endeavour's basis using its detailed understanding and knowledge of its customers and new business processing.

CPEN-1. Size and significance of customer base of the firm

In this question the Authority seeks to obtain some high-level information about the number of retirement benefits schemes which the firm administers as at the reporting reference date and the number of members of the schemes. Consideration is given separately to master trust arrangements and schemes that are not master trust arrangements and of those which are occupational and which are personal schemes.

The Authority wishes to understand the number of schemes administered and the number of members within those schemes as at the reporting reference date. In addition in respect of occupational schemes the number of participating employers is requested.

The Authority also seeks to establish how many of those schemes are material to the firm's income. In this context the Authority is interested to understand how many schemes exist which alone or with associates account for more than 20% of the firm's income.

Firms should indicate the basis on which responses to this question have been provided.

CPEN-2. New customer relationships and terminations

The Authority seeks to obtain some high-level information about the number of new business relationships have been established in the year under review and the number of relationships closed in the year (ons and offs).

For occupational schemes information is sought in respect of the number of new participating employers and the number of new members within the schemes as well as the number of participating employers where the business relationship was terminated in the year. Information is also sought as to how many of applications were declined or how many relationships were terminated as a result of ML/FT or sanction purposes.

Similar information is requested for personal schemes but in this instance it is at the scheme and

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Firms should indicate the basis on which responses to this question have been provided.

CPEN-3. AML/CFT risk profile of clients

This question seeks to understand the ML/FT risk profile of the firm's customers as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in CPEN-1, please indicate how many customers, as at the reporting reference date, fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of customers as appropriate detailed in C2-1.

Firms should indicate the basis on which responses to this question have been provided.

CPEN-4. ML/FT risk profile of all new customers relationships only

This question seeks to understand the ML/FT risk profile of the firm's new customer business relationships established in the year as assessed by the firm. The format of the question is dependent upon the answers provided in response to question B0-5 on Form B0.

For each of the client types considered in CPEN-1, please indicate how many new customer business relationships established in the year fall within each risk category using the same mapping of risk categories as indicated in B0-5. The answer to this question should reconcile to the number of new customer business relationships detailed in CPEN-2.

Firms should indicate the basis on which responses to this question have been provided.

CPEN-5. PEPs

This question seeks to understand how many customers are PEP's or are associated with a PEP. The firm is asked to indicate how many customers as at the reporting reference date are, or are associated with, a domestic PEP and how many are, or are associated with, a foreign PEP. The answer to this question should reconcile to the appropriate number of customers detailed in CPEN-1.

Firms should indicate the basis on which responses to this question have been provided.

CPEN-6. Use of simplified due diligence

Part 6 of the AML/CFT Code allows firms to apply concessions in the CDD procedures applied to customers with the use of each concession being subject to certain qualifying criteria.

The Authority is seeking to understand the extent of application of the concessions allowed across industry sectors. Whilst providing valuable information over time of the trends in application, this information will also be of immediate value to the Authority and the Island as it will assist in the understanding of use at a sector level of the current application of simplified due diligence, an essential aspect when considering the risk of ML/FT from a national perspective.

In respect of new customer business relationships established in the year under review the Authority requests firms to indicate whether each concession applicable to your firm and available under Part 6 of the AML/CFT has been utilised and if so how many new customer business relationships was it applied to?

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It is recognised that for some customers with a number of related parties that more than one concession may be applied when considering CDD at the client level (eg. No CDD applied for party A, acceptable applicant concession for parties B and D and eligible introducer concession for party C). In this example for the single client the form would be completed as follows:

	Do you use this concession	How many customers No.
Acceptable applicants [para 20]	Y	1
Acting on behalf of [para 21]	N	
Eligible introducers [para 23]	Y	1
Scheme concessions [para 24(7),(8),(11)]	N	

Firms should indicate the basis on which responses to this question have been provided.

CPEN-7. Enhanced due diligence (EDD)

This section is new to the 2018 AML/CFT Statistical Return and seeks to understand EDD procedures adopted by the firm.

In respect of new customer business relationships established in the year under review the firm is asked to confirm if EDD procedures were undertaken and if so, for how many new customer business relationships this was for. To assist the firm the number of higher risk new customer business relationships, as entered in CPEN-4, are detailed in this question.

Where the firm indicates that EDD procedures have been undertaken the firm is requested to indicate the type of procedures undertaken.

Enhanced customer due diligence are **additional** procedures undertaken to provide **corroborative** evidence of the identity of the customer, the identity of the beneficial owner, the purpose and intended nature of the business relationship or the source of funds or wealth. EDD may also include additional monitoring procedures to ensure that the transactions undertaken are consistent with the firm's knowledge of the customer, their business and risk profile. EDD must be undertaken where the firm has higher risk customers or foreign PEPs.

Firms should indicate the basis on which responses to this question have been provided.

CPEN - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form CPEN.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form D – Reliance on third parties

This form should be completed by all regulated entities except:

- Financial advisors under Class 2 of the FSA08
- FSA08 Class 8 activities other than 8(2)(a) or 8(4) – certain Money Transmission Services
- IA08 - managed non-life insurers
- IA08 – insurance managers of life assurance entities only
- IA08 – General insurance intermediary
- Credit unions

Notwithstanding the above, where the firm undertakes other activities falling within Class 2 of the FSA08 then Financial Advisors and General insurance intermediaries are asked to complete **Form D**.

Where the firm is not required to complete **Form D**, but completes **Form C0**, **Form C0** will contain certain additional questions relevant to Reliance on Third Parties.

Form D provides information to the Authority of to the face to face nature of the business and the extent to which reliance is placed on third parties for the collection of CDD.

Customer should be interpreted as having the same meaning as the AML/CFT Code.

It is recognised that some of the information requested on this form may not be in an easily extractable form from the systems of the firm. If this is the case the Authority seeks to understand ‘a picture’ of the firm and requests that the firm provide the information on a best endeavour’s basis using its detailed understanding and knowledge of its customers and new business processing.

D-1. New customer relationships

Form D relates to all new customer business relationships entered into by the firm during the year. To assist the firm a summary of the new customer business relationships as entered into the Return is summarised here.

The firm is asked to provide the number of unique new customer business relationships across all activities.

Firms should indicate the basis on which responses to this question have been provided.

D-2. Face to face business

This question is only required where the business activities of the firm are restricted to those listed above. Where other activities within the regulated sector are also undertaken this question will not be visible.

In this question the Authority requests information about the face to face nature, or otherwise, of the new customer business relationships established in the year. Firms are asked to indicate, in respect of new customer relationships entered into in the year under review, the number of customers which the firm met face to face, those met by a related party of the same group and those not met face to face. The answer to this question should reconcile to the number of unique new customer business relationships detailed in **D-1**.

Firms should indicate the basis on which responses to this question have been provided.

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D-3. Reliance on third parties for CDD collection

This question is only required where the business activities of the firm are restricted to those listed above. Where other activities within the regulated sector are also undertaken this question will not be visible.

This question seeks to understand the extent of reliance on third parties for the collection of CDD and verification of identity of the customer of the firm.

In relation to new customer business relationships established in the year under review, firms are asked to indicate the number new customer business relationships where the firm has placed reliance in the collection of CDD or verification of identity of third parties and whether the firm understands in all cases who has met the customer on a face to face basis. This information is requested in the following categories:

Where *reliance is placed on third parties* – in this category CDD has been collected by a third party and:

- where the firm collects, via the third party, CDD to verify the identity of the customer and the evidence of identity has been certified and the firm holds an original certification of the copy of the original documents;
- where the firm collects, via the third party, CDD to verify the identity of the customer and the evidence of identity has been certified and the firm holds a copy of the original certification of the copy of the original documents; or
- is retained by the eligible introducer, through the utilisation of the concession permitted by paragraph 23 of the AML/CFT Code.

Where *no reliance is placed on third parties* – in this category the CDD is collected by the firm direct from the customer and:

- the CDD is provided to the firm via remote means (not on a face to face basis) likely by email or the postal service; or
- the CDD is provided to the firm on a face to face basis.

Where *no reliance is placed on third parties as other concessions are utilised* – in this category the firm utilises concessions which permit the delay of verification of identity or do not require the verification of identity.

It is not anticipated that the answer to this question will reconcile to the number of unique new customer business relationships detailed in D-1 and therefore this relationship is not enforced.

Firms should indicate the basis on which responses to this question have been provided.

D-4. Cross dependency of Isle of Man institutions

This questions seeks to understand the extent of introductions from other Isle of Man entities and the extent of cross investment between Isle of Man entities.

Firms are asked to indicate the number of Isle of Man entities by type which have introduced customers to the firm. Firms are also requested to provide the number of accounts controlled by Isle of Man entities. This information is required in respect of business received over the course of 2016.

Firms should indicate the basis on which responses to this question have been provided.

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D - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form D.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form E – Suspicious activity reports, etc.

E-1. THEMIS

The firm is asked to indicate whether it has registered with THEMIS.

E-2. Suspicious activity reports

Both firms regulated by the Authority and those firms overseen by the Authority for compliance with the AML/CFT Code are required under POCA and ATCA to submit a suspicious activity report to the FIU in respect of information that comes to them in the course of their business, if they know, or suspect or have reasonable grounds for knowing or suspecting, that a person is engaged in, or attempting, money laundering or terrorist financing.

This requirement is also set out in Part 7 of the AML/CFT Code.

A suspicious activity report, or external disclosure, must be submitted to the FIU as soon as practicable.

An external disclosure will usually, but not always, follow an internal disclosure to the MLRO of the firm.

The firm is asked to detail the number of internal and external disclosures made in the year split between ML SARS and TF SARS together with the number of s24 disclosures made to the FIU during the year.

E-3. ML and FT enquiries

Paragraph 36 of the AML/CFT Code requires firms to maintain a register of ML and FT enquiries received from law enforcement or other competent authorities.

The firm is asked to detail the number of enquiries received in the year split between ML and TF. Where the nature of the enquiry is not known this should be separately identified.

E-4. Financial sanctions

Individuals and firms have an obligation to notify the sanctions officer if they are aware of the presence of funds or other assets owned or controlled by, or on behalf of, a person or entity on any sanctions list. Please indicate how many such disclosures were made in the period under review.

Note: with effect from 1 April 2018, sanctions reports should be made to the FIU.

E-5. Blocked or frozen assets for sanctions purposes

Firms regulated by the Authority have specific obligations including an obligation to check whether they maintain accounts for any individual or organisation on the sanctions list, and if so freeze or block the accounts and report findings to the Customs and Excise Division. This question seeks information about such accounts.

Firms should indicate the basis on which responses to this question have been provided.

E-6. Blocked or frozen assets for reasons other than for sanctions purposes

In this question the Authority is seeking information about any accounts frozen for purposes other than for sanctions.

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Firms should indicate the basis on which responses to this question have been provided.

E - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form E.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form F – Residency of customer

Form F records a breakdown of the firm's customers (in respect of regulated activities) by jurisdiction so that a picture of the geographical location of the firms' customer base can be understood. This data is requested as at the reporting reference date.

F-1. Unique customers

Form F relates to all customers of the firm as at the reporting reference date. To assist the firm a summary of the customer business relationships as entered into the Return is summarised here.

The firm is asked to provide the number of unique customer business relationships across all activities.

Firms should indicate the basis on which responses to this question have been provided.

F-2. Basis of completion

For each jurisdiction in which a customer of the firm as at the reporting reference date resides, please indicate the number of customers resident in that jurisdiction split between natural and non-natural persons.

Firms should indicate the basis on which responses to this question have been provided.

F - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form F**.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form G – Residency of beneficial owners

Form G records a breakdown of the beneficial owners of the firm's customers (in respect of regulated activities) by jurisdiction so that a picture of the geographical location of the beneficial owners of the firms' customer base can be understood. This data is requested as at the reporting reference date.

G-1. Jurisdictional analysis of ultimate beneficial owners

Form G relates to the beneficial owners of all of the customers of the firm as at the reporting reference date.

Customers who are natural persons are likely to be the beneficial owner of the customer. To assist firms this information is brought forward from **Form F** and is detailed in **Form G** for amendment if required.

In addition the firm is asked to provide the jurisdictional analysis of the beneficial owners of the customers who are not natural persons.

Firms should indicate the basis on which responses to this question have been provided.

G - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of **Form G**.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.

Form H – Residency of intermediary

Form H records a breakdown of the introducers of business to the firm (in respect of regulated activities) by jurisdiction so that a picture of the geographical location of the sources of business can be understood. This data is requested as at the reporting reference date.

H-1. Jurisdictional analysis of ultimate beneficial owners

Firms are asked to provide details of whether the new customer business relationships summarised on Form D are direct business, referred by existing customers or introduced.

For this purpose referred includes business referred by related parties.

The firm is asked to provide the jurisdictional analysis of the customers who were introduced to the firm with reference to the correspondence address of the introducer.

Firms should indicate the basis on which responses to this question have been provided.

H - Comments

This section is provided to allow firms to provide any commentary that is relevant to the completion of Form H.

Form completion

The firm is requested to identify if the form is complete. Any errors identified in the completion of the form will be indicated here.