



ISLE OF MAN FINANCIAL SERVICES AUTHORITY

INDUSTRY PERCEPTIONS STUDY 2018

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EXECUTIVE SUMMARY

A background image showing a group of business professionals in suits gathered around a conference table. They are looking at and pointing to documents, with one person holding a pair of glasses. A glass of water is visible in the foreground.

OVERALL IMPRESSION

Overall, the results of the Industry Survey were very positive and the role of the Authority to the Isle of Man's proposition as a responsible international financial services centre was widely recognised.

- 80% of regulated entities and designated businesses who completed the survey considered it 'very important', and a further 14% considered it 'important'.

The Authority was considered more important by regulated entities than designated businesses, which is to be expected.

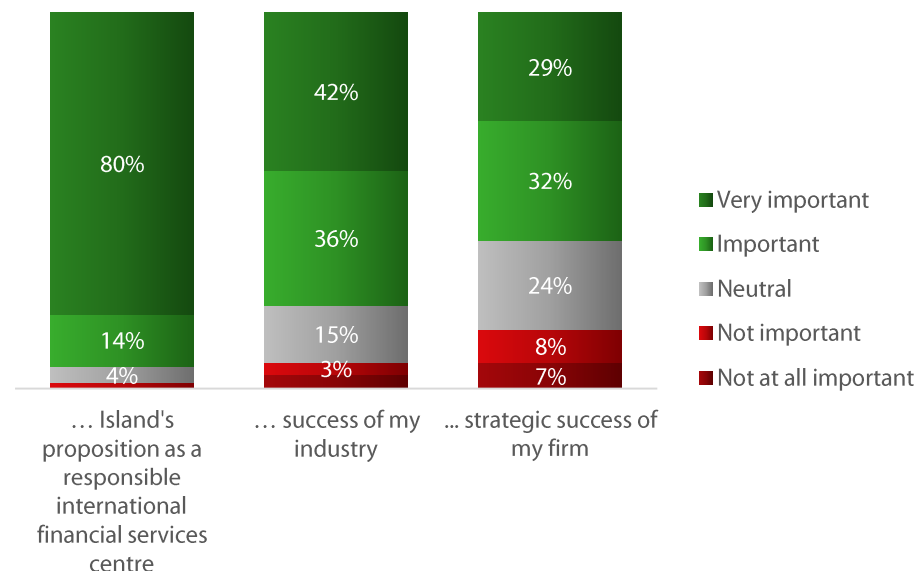
- 99% of regulated entities considered the Authority to be important or very important to the Island's proposition, 91% to the success of their industry and 74% to the success of their firm.

The majority of firms considered the Authority to be effective in achieving its regulatory objectives.

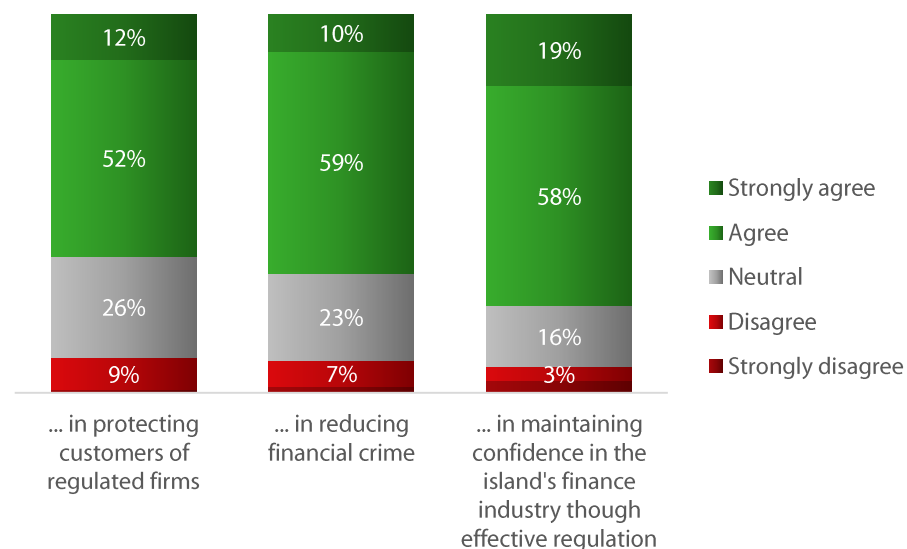
- 64% agreed (including strongly agreed) that it is effective in protecting customers of regulated firms,
- 69% agreed that it is effective in reducing financial crime and
- 77% agreed that it is effective in maintaining confidence in the island's finance industry through effective regulation.

There were also high levels of agreement that the Authority is effective across a range of responsibilities. Of these, "Taking appropriate, timely and proportionate action" has the most scope for improvement, followed by "maintaining and developing an appropriate and proportionate regulatory regime", and "providing regulatory guidance and information".

Importance of the Authority to the ...



The Authority is effective ...



APPROACH OF THE AUTHORITY

The majority of firms considered the supervisory activities to be effective, and were positive about the Authority across a range of dimensions.

- 63% of firms considered the Authority to be very or quite effective, and a further 33% were neutral.
- Medium and large firms were more likely to respond positively. These firms tend to have more interaction with the Authority, and would be more aware of the Authority's efforts.
- One aspect where the Authority was rated less well was: "the Authority intervenes at an early stage". This partly reflects a lack of information about the Authority's actions, but also corresponds with MONEYVAL conclusions that there are few examples of enforcement actions.
- The Authority was also rated less well in its impact on consumer protection and prudential requirements, although respondents indicated that these were often areas where the firm would act irrespective of the Authority's requirements.

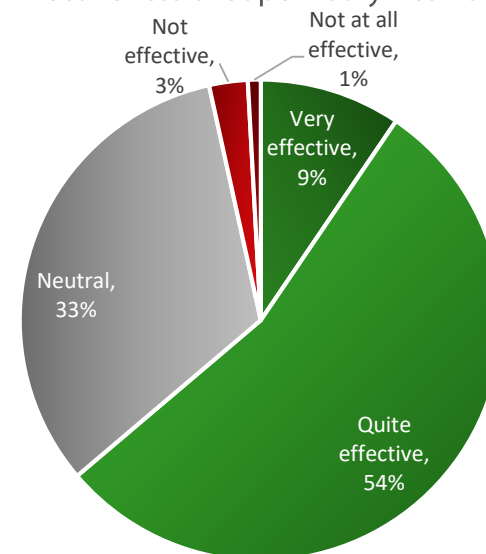
More than half of firms (58%) had seen a change in the Authority's approach in the past 24 months.

- Of those, 56% said it had improved, 30% said it was neither better nor worse, and 13% said it was worse. Improvements included enhanced communication with industry, with respondents noting the Authority was now more open and approachable. However, there were also critics who argued the opposite.

Firms also provided detailed feedback on on-site visits, fitness and propriety assessments, authorisations, registration, and enforcement and overall the survey results were generally favourable.

- As earlier, medium and large firms tended to give more positive feedback than smaller firms. Also, regulated entities were more positive than designated businesses. Again, these results are likely to be reflective of their level of interaction and an enhanced awareness of the Authority's activities.

Effectiveness of Supervisory Activities



ENGAGEMENT WITH THE AUTHORITY

The majority of firms are satisfied with their relationship with the Authority.

- 86% were satisfied or very satisfied, a further 12% opted for a neutral, and just 2% were dissatisfied.
- Regulated entities were more positive than designated businesses, as were larger businesses compared to small. These results correlated with those who have more contact face-to-face or via by telephone.

Feedback on the Authority's staff was favourable.

- 41% of respondents rated their overall experience of staff from the Authority as very good, and a further 43% selected good. Only 13% said moderate and 3% said poor.
- Staff also performed well across a range of questions that asked about their technical ability and professional conduct. Again the results were slightly more positive among from medium/large firms than smaller firms, which may reflect more regular or extensive interaction.

Firms were generally positive about the guidance available from the Authority.

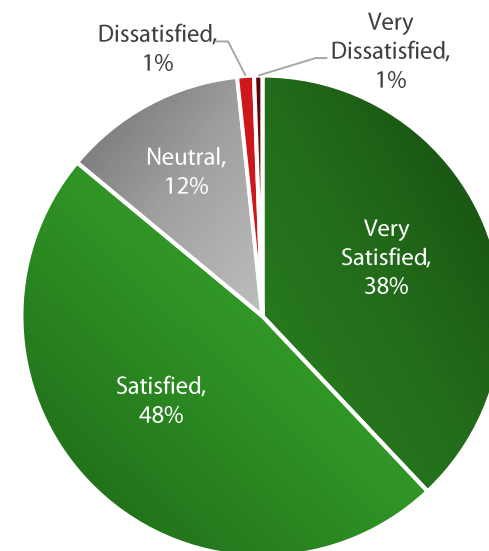
- Firms appreciated the clarity of content and events held, though there could be scope for the Authority to improve the timeliness of updates, and improve the balance between regulatory objectives and the burden of compliance.

The results on consultations were much more positive than negative, though there were large numbers of 'moderate' responses. This was often due to firms' limited capacity to engage in the consultation process rather than problems with the process itself, although some issues were noted.

Other forms of engagement were also generally well received.

- Most firms found events and publications to be useful.
- The website had more mixed feedback –problems noted were more about the ability to find information than the clarity and relevance of the information available.
- Relatively few had accessed the statistical information collated on the Authority's website, but where it had been used the feedback was general positive.

Satisfaction with Overall Relationship



PERCEPTIONS IN A CHANGING ENVIRONMENT

Overall, the feedback from the in-depth interviews with individuals from a sample of regulated entities and designated businesses was more mixed than the survey results. A wide range of views were expressed. We have sought to make sense of the views expressed with regard to the respondents' own experience, firms characteristics and contextual factors.

Individuals' perceptions of the Authority were often described in the context of a changing environment and how it is impacting on their firm, reflecting on how the Isle of Man responds to the increased scrutiny on off-shore finance, and the increasing regulatory requirements.

Most talked about the challenges of doing business in the prevailing environment. Some questioned whether the regulatory standards in the Isle of Man were too stringent, as the burden of regulation increases and negatively impacts on firms' competitiveness. Others recognised that it is important to comply with demands for disclosure and transparency, and for a few doing so meant they were better able to compete in new markets.

The MONEYVAL assessment, along with a few high profile cases, have had a considerable impact on how the Authority is viewed. MONEYVAL has left industry feeling unsettled. A few were concerned there is a need to find 'scapegoats'. Others were more emphatic, suggesting there were few cases either because there was nothing to find or the Authority was 'doing its job'.

The formation of the Authority following the merger of FSC and IPA was another source of change, though in the main it was not a cause for concern.

Changing environment for off-shore finance	Changes in the Isle of Man and response to global pressures	Evolving and increasing regulatory requirements	Impacts on competitiveness of the finance industry
<ul style="list-style-type: none">• Increased scrutiny on off-shore finance• Growing demand for disclosure and transparency (e.g. EU substance, and beneficial ownership)• New international standards and norms (e.g. AML/CFT)	<ul style="list-style-type: none">• Complying with demand for disclosure and transparency• Political aspirations for "gold-plated" regulation• MONEYVAL assessment• High-profile cases• Single regulatory body following FSC-IPA merger	<ul style="list-style-type: none">• Strengthens international reputation• Additional regulatory burden• Uncertainty relating to new requirements	<ul style="list-style-type: none">• Differential impact on firms depending on nature of business, client base and risk appetite

THE QUESTION OF PROPORTIONALITY

Individuals were encouraged to reflect on their experience of supervision, and comment on the extent to which they favour a principle-based, rather than prescriptive, approach. Divergent and sometimes contradictory views were expressed, though they often centred on the question of proportionality. What an individual considered to be proportionate depended on a range of factors, including their assessment of the risks associated with their business, their experience of supervision in the past or elsewhere, and their own role and preferences.

Overall, most were happy with their experience of supervision from Authority, although they could also identify examples where the regulation, or the supervisory approach, seemed unnecessary or disproportionate. A minority were more critical, often because the regulatory requirements adversely impacted on their ability to compete internationally, or because they considered the costs of compliance were too high relative to the risks faced.

When regulation was considered disproportionate, or where supervision focused on the minutia, individuals were more likely to question whether the Authority understands the impact on their industry. This led several individuals to conclude that the Authority needs to strengthen its relationship with industry.

Many respondents recognised that a more principle-based approach has the potential to offer greater flexibility in how a firm responds to the regulatory requirements. This approach was often welcomed by those who had a business development role. A few cited examples of when the Authority had focused on the principles. However, others raised concerns that it would be much harder to demonstrate compliance against principles than against rules. The challenges raised included, whether staff at the Authority had a good enough understanding of their business and the risks involved, whether the principles would be applied consistently, and whether the cost of compliance would increase as what is required becomes more uncertain.

Firms may benefit from a better understanding of how the Authority approaches supervision and oversight – especially those where the interaction is relatively infrequent, or where the sector has been subject to considerable regulatory change. It may also help to provide clarity given the changing environment and address the concerns that remain among some following the MONEYVAL assessment.

AUTHORITY'S VIEW OF PROPORTIONATE REGULATION AND SUPERVISION



INDIVIDUAL'S VIEW OF PROPORTIONATE REGULATION AND SUPERVISION

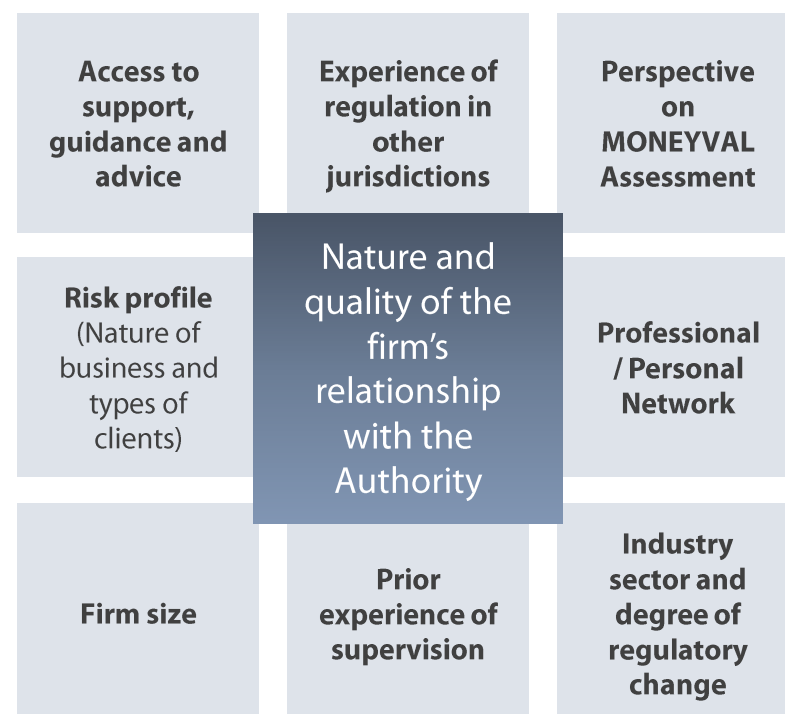
• Nature of Business	(including risk relating to range or complexity of products / services)
• Portfolio of Clients	(individual consumers or corporate clients)
• Prior experience	(e.g. FSC vs IPA approach, other jurisdictions, previous employment)
• Own role and responsibilities	(e.g. business development vs compliance)
• Own preferences	(e.g. approach to work, communication, attitude to risk)

NATURE OF THE RELATIONSHIP

Firms were asked about their relationship with the Authority and the level of engagement. Individuals described the frequency of their contact with the Authority, and commented on whether they felt it was an open and productive dialogue, and whether they felt supported.

Again, a wide range of views were expressed. Most spoke very positively about their relationship manager, even if in other respects they felt their relationship with the Authority could be improved. On the whole, the firms we spoke to fall into one of four categories:

- **Firms that have a close relationship with the Authority, have regular interaction and feel supported.** This group tends to include larger firms and firms that may pose higher risks. They typically describe an open and productive relationship, good access to formal and informal guidance. Individuals tend to have greater exposure to the Authority, either from previous roles, employment or through their network. This group were also more open to a principle-based approach to supervision.
- **Firms that have limited interaction but are content.** This group tends include smaller firms with supervisory visits every 3-5 years. Individuals are content with their engagement often because they have access to support or guidance from elsewhere (personal experience, professional networks, part of larger Group) or because the nature of the business means the regulations are straightforward to apply.
- **Firms that have limited interaction and would like more support.** This group tends to include smaller firms who have limited access to support or guidance from elsewhere, or where the industry or the regulations are going through a period of change. Some firms appeared reluctant to ask questions of the Authority, but would welcome more informal opportunities to interact and seek guidance.
- **Firms that are unhappy are an important minority.** This group feel particularly unsettled by the prevailing environment, and are concerned that how the Authority will respond to the MONEYVAL assessment will negatively impact on them or their industry. These firms are also more likely to be sectors facing more regulatory change. Some expressed a desire for a more constructive relationship. In a few cases the relationship has completely broken down and they may use intermediaries to ask questions.



FEEDBACK ON GUIDANCE AND CONSULTATION

DEVELOPING EFFECTIVE GUIDANCE

Overall, firms were happy with the written guidance available from the Authority.

There were some requests for updated guidance on AML/CFT for those working in the insurance sectors. Investment businesses and designated businesses also indicated they would welcome some updated guidance.

In terms of content, most respondents were happy with the information provided and found the examples included very helpful. Most felt that they had the balance right, though a few individuals (often those who favoured a more prescriptive approach to supervision) would welcome additional guidance.

The one aspect where there may be more scope to improve is ensuring the guidance is easy to find and easy to navigate. Several commented that it could be difficult to find the relevant guidance on the website, and suggested improving the search function – both on the website and within a PDF. Another suggested using hyperlinks to make it easier to find the relevant section within the rule book.

Several individuals noted the events and workshops hosted by the Authority were useful – especially the one on MONEYVAL. In general, face-to-face contact with the Authority was welcomed. It is seen as a mechanism to engage with the Authority, and potentially to seek its opinion informally.

A few also suggested that the Authority attend more industry events, as this would help them better understand key issues for industry, as well as appear more approachable and accessible.

OPTIMISING THE CONSULTATION PROCESS

Firms were asked for feedback on how they found the consultation process. Most firms monitored the consultations, though were selective in when feedback was given, focusing on the issues that were relevant for their firm or when they had concerns. Thus, a limited response to a consultation may reflect either a limited interest in the topic or no concerns with what was proposed.

Larger firms had more capacity to participate in consultations, and would often feedback directly and via the industry body. Smaller firms were less engaged, often relying on the industry body to form a response, but would respond from time-to-time, usually via the industry body.

Of those who had participated in the consultations, most said they felt that the scope and content of the consultations were clear. Most felt that the timeframe to respond was adequate, though a few noted examples when the timeframe was very tight or the timing was difficult.

Individuals in the insurance sector noted the extensiveness of the consultations, but most appreciated the extent to which the Authority sought feedback.

Frustrations that were expressed tended to relate to specific instances, often where they felt the timeframe or timing of the consultation was sub-optimal, where feedback was not taken on board or where the developments were moving slowly (e.g. alternative banking regime). Overall, the majority noted recent improvements in the coordination and timing of consultations.

A few individuals noted that consultations may benefit from any efforts the Authority takes to strengthen its relationship with industry and better understand the pressures they face.

MAIN REPORT



INTRODUCTION

The Isle of Man Financial Services Authority ('the Authority') commissioned Island Global Research to undertake an industry perceptions study of all regulated firms and designated businesses. This study provided an opportunity for firms to provide feedback on the performance of the Authority to assist it to improve and develop its relationship with the firms it regulates, supervises and oversees. The report was submitted to the Authority on 15 August 2018.

The Authority is an independent Statutory Board of the Isle of Man Government. The regulatory objectives are

- securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- the reduction of financial crime; and
- the maintenance of confidence in the Island's financial services, insurance and pensions industries through effective regulation, thereby supporting the Island's economy and its development as an international financial centre.

Island Global Research is an independent market research and consultancy company, based in Guernsey. Island Global Research is part of the BWCI Group and a member of Abelica Global.

APPROACH

The Industry Perceptions Study took a phased approach:

PHASE 1: INDUSTRY SURVEY

An online survey undertaken in March and April 2018. It was distributed to all firms regulated by the Authority and designated businesses within the Isle of Man. The questionnaire was extensive and sought feedback on the following topics:

- **Overall impression of the Authority:** soliciting views on its role, effectiveness and impact.
- **Approach to Supervision and Oversight:** including supervision, on-site visits, fitness and propriety assessments, authorisation, registration, enforcement.
- **Engagement with Authority:** seeking feedback in general and in relation to the Authority's staff, guidance, consultation, events, publications, website and statistical information.

PHASE 2: IN-DEPTH INTERVIEWS WITH SELECTED FIRMS

In-depth interviews were undertaken with senior representatives from a sample of regulated firms and designated businesses in May and June 2018. The aim was to understand some topics from the survey in more depth, take a closer look at how Authority is viewed by industry, and better understand some of the negative responses to survey questions.

The discussions were structured around the following four topics:

- **Role and Effectiveness of the Authority:** including the impact on firms, and how effective it is perceived to be.
- **A Risk-based Approach to Supervision and Oversight:** focusing on firms' experience and preferences.
- **Developing Effective Guidance:** exploring whether the guidance provided on a range of regulatory areas meets the firms' needs, including what works well and what could be improved.
- **Optimising the Consultation Process:** considering the Authority's consultation process from the firms' perspective and focusing on how the consultation process could be improved going forward.

PHASE 1: INDUSTRY SURVEY

- 1.1 Survey Methodology
- 1.2 Profile of Responding Firms
- 1.3 Overall Impression of the Authority
- 1.4 Approach of the Authority and Supervisory or Oversight Activities
- 1.5 Engagement with the Authority
- 1.6 General Comments and Survey Conclusions

1.1 SURVEY METHODOLOGY

The Industry Survey was designed to obtain feedback from the firms that the Authority regulates, supervises and oversees. The research focused on three key areas:

- Overall impression of the Authority
- Approach of the Authority and Supervisory or Oversight Activities
- Engagement with the Authority

QUESTIONNAIRE

A questionnaire was developed, structured around the three key areas. The questionnaire was comprehensive and sought to elicit detailed feedback on a wider range of topics:

- Importance, effectiveness and responsibilities of the Authority
- Approval, supervision (including on-site visits), fitness and propriety assessments, authorisation / registration, and enforcement
- Staff, methods of engagement, publications, guidance, website, consultation, and statistical information

In addition, the questionnaire contained profiling questions about the regulated activities they have permission to undertake, and the self-reported firm size.

There were two versions of the questionnaire, one tailored for regulated activities and another for designated businesses. Firms that have both regulated entities and designated businesses were asked to complete the questionnaire as a regulated entity. Where appropriate questions featured in both questionnaires. There were also some questions which depended on answers to previous questions.

DATA COLLECTION

All firms within the regulated sector and all registered designated businesses were invited by the Authority to participate. The Authority emailed representatives in those firms to make them aware of the forthcoming survey and encouraged them to participate. Island Global Research also wrote to the firms, providing a link to an online survey and PDF copies of the two versions of questionnaire. Individuals were encouraged to consult others within the firm before completing the online survey to ensure that the responses received were representative of the wider view of the firm. Email reminders were sent before the survey closed.

The survey was conducted between the 12 March and 13 April 2018. Firms could complete the survey anonymously, though were required to indicate which regulated activities they have permission to undertake. We also asked firms if they were willing to be listed as a contributor to the survey. Appendix A lists the firms who gave their consent to be named.

1.1 METHODOLOGY (Continued)

SAMPLING

The Authority provided Island Global Research with the contact details for each regulated firm and designated business, a total of 754 email addresses. Responses received were often in respect of a group of entities. In addition, managers, in the main, completed one survey response in respect of both their relationship with the Authority and that of the entities managed by them. As a result, it is difficult to determine the precise population, however, invitations were sent to 430 unique domain names and to 504 unique addresses. Therefore, the total population of firms is set at 500.

Firms have been categorised in two types: regulated entities and designated businesses. Regulated entities are firms that have a permission for one or more of the following regulated activities:

- Deposit Taking
- Credit Unions
- Financial Advisors
- Other Investment Business
- Services to Collective Investment Schemes
- Trust and / or Corporate Services (including professional officers)
- Money Transmission Services
- Retirement Benefits Schemes Administrator
- Life Assurance
- Non-life insurance, including insurance
- General Insurance Intermediaries

Designated Business are firms that are registered and overseen by the Authority for AML/CFT compliance only.

The survey was completed by 186 firms, of which 119 represented the views of regulated entities and 67 represented the views of designated businesses. 6 of the total firms indicated they were both a regulated entity and a designated business, and were asked to complete the regulated entity version .

Firms were also asked to indicate if they consider themselves to be a small, medium or large firm. The survey was completed by 102 small firms, 47 medium firms and 26 large firms. In addition, 11 firms did not know their size or preferred not to say the size of their firm.

The next section provides further information on the profile of firms who completed the Industry Survey.

	Regulated Entities	Designated Businesses	Total
Small	54	48	102
Medium / Large	59	14	73
No size indicated	6	5	11
Total	119	67	186

1.1 METHODOLOGY (Continued)

ANALYSIS AND STATISTICAL CONSIDERATIONS

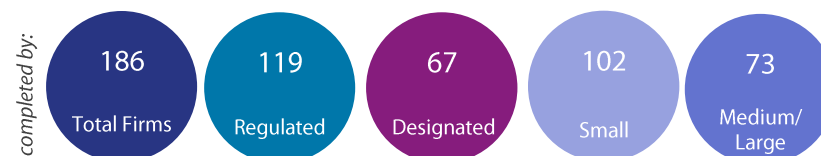
Analysis was undertaken on the total sample of firms, and also:

- by firm type: regulated entity vs designated business; and
- by firm size: small vs medium/large (given the limited numbers of large firms, medium and large firms have been combined).

The results report on the total sample of firms, and note differences by sub-group where appropriate.

The icon in the top right hand corner of each page shows the number of firms who completed that section of the survey. This is the maximum base size, as some questions were only asked of a sub-set of firms (e.g. only regulated entities or only if had reported had experience of the process). The maximum base size is 186 for the total sample, 119 for regulated firms, 67 for designated businesses, 102 for small firms and 73 for medium/large firms (11 firms did not indicate their size). The actual base size when calculating final percentages is reduced as no answer and “don’t know” have been excluded throughout the report.

All surveys that are completed by a sample of the overall population are subject to statistical error. The higher the sample size and response rate the lower the margin of error. The table on the right gives an indication of the levels of statistical error to which the data are theoretically subject at the 95% confidence level. The population of firms in each category was based on the number of unique domain names in the list of contacts.



Research Result	Sample of 119 from a population of 248	Sample of 67 from a population of 182	Sample of 186 from a population of 430
5% or 95%	± 2.8%	± 4.2%	± 2.4%
10% or 90%	± 3.9%	± 5.7%	± 3.3%
15% or 85%	± 4.6%	± 6.8%	± 3.9%
20% or 80%	± 5.2%	± 7.6%	± 4.3%
25% or 75%	± 5.6%	± 8.3%	± 4.7%
30% or 70%	± 6.0%	± 8.7%	± 5.0%
35% or 65%	± 6.2%	± 9.1%	± 5.2%
40% or 60%	± 6.4%	± 9.4%	± 5.3%
45% or 55%	± 6.5%	± 9.5%	± 5.4%
50%	± 6.5%	± 9.5%	± 5.4%

1.2 PROFILE OF RESPONDING FIRMS



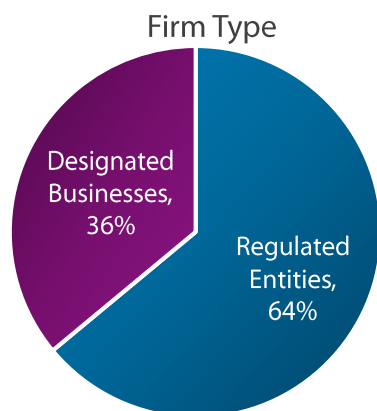
SURVEY SAMPLE: BY ACTIVITY TYPE

completed by:



The survey was completed by 186 firms who are regulated or overseen by the Isle of Man Financial Services Authority.

Firms were asked to confirm which regulated activities are undertaken, or whether they are a designated business. A single firm may have permissions for multiple activities. 87 of the 119 regulated entities undertook only one type of activity, 21 undertook two types and 11 undertook three types.



Activity	Number of responses	Number of permissions issued by the Authority	Response rate by activity
Deposit Taking and Credit Unions	7	13	54%
Financial Advisors	15	22	68%
Other Investment Business	11	24	46%
Services to Collective Investment Schemes	20	48	42%
Trust and / or Corporate Services (including professional officers)	56	143	39%
Money Transmission Services	4	5	80%
Retirement Benefits Schemes Administrator	9	20	45%
Life Assurance	11	13	85%
Non-life insurance, including insurance managers	19	119	16%*
General Insurance Intermediaries	10	21	48%
Designated Business	73 (6 were also regulated)	329	22%

*102 non-life insurers are managed by 11 captive managers, 6 non-life insurers are self-managed. It should be noted that in general, managers completed one survey response in respect of both their relationship with the Authority and that of the entities managed by them. Considering only captive managers and self-managed non-life insurers - 19 responses were received from a 'population' set of 17 reflecting that some managed insurers may also have completed the survey independent of the manager.

1.3 OVERALL IMPRESSION OF THE AUTHORITY

This section reports on the perceived importance and effectiveness of the Authority, in relation to its role, objectives and responsibilities.

ROLE OF THE AUTHORITY

completed by:

186

Total Firms

Firms were asked how important they think the role of the Authority is in relation to the following:

- To the Island's proposition as a responsible international financial services centre
- To the success of their industry
- To the strategic success of their firm

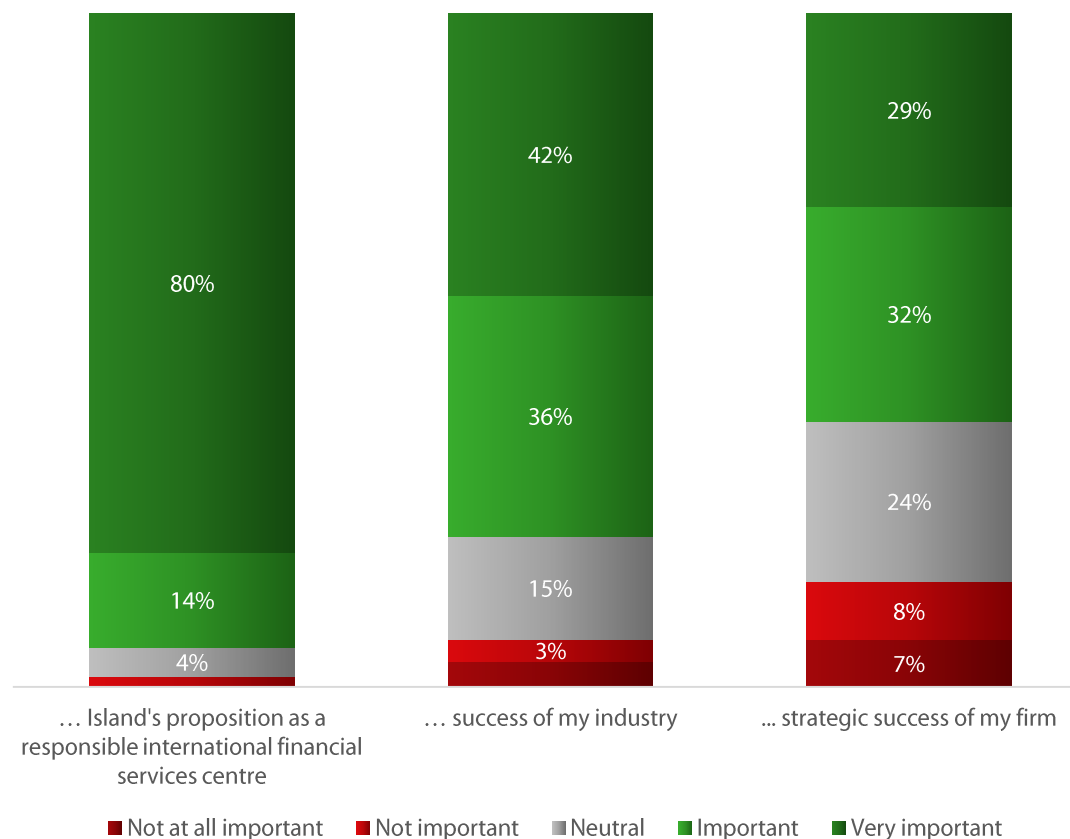
Regulated entities were asked this in relation to the Authority "as an effective regulator to the Island's financial services sector", while designated businesses were asked this in relation to the Authority's role "in the oversight of designated businesses for compliance with their AML/CFT obligations".

Both sets of responses have been combined and are presented here together, to show overall perceptions as to the importance of the role of the Authority.

Overall it is a very positive picture, although more so at island level than firm level.

- 94% said the role of the Authority is important or very important to the island's proposition,
- 78% said that it is important or very important to the success of the industry, while
- 61% said it is important or very important to the success of their firm.

Importance of the Authority to the ...



ROLE OF THE AUTHORITY

completed by:

119

Regulated

67

Designated

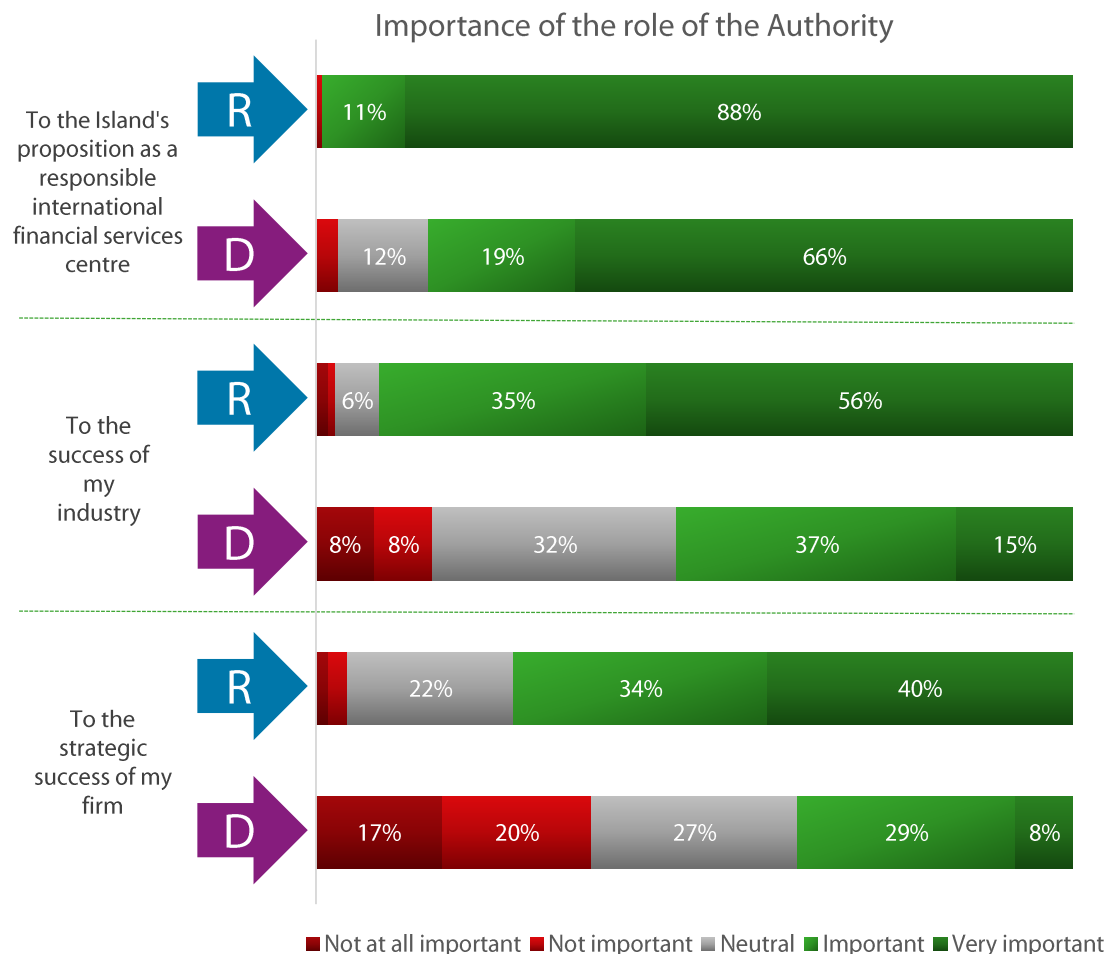
These charts show that regulated entities are more likely than designated businesses to view the role of the Authority as important, particularly to the success of the industry and their firm.

91% of regulated entities said that the role of the Authority is important or very important to the success of their industry, compared to 52% of designated businesses.

Meanwhile, half the number of designated businesses than regulated entities said that the role of the Authority is important to the strategic success of their firm.

However, on the whole, these are still positive results. It must also be remembered that regulated firms were asked this in the context of the Authority “as an effective regulator to the Island’s financial services sector”, while designated businesses were asked this in relation to the Authority’s role “in the oversight of designated businesses for compliance with their AML/CFT obligations”.

Further analysis shows that medium and large firms are more likely than small firms to rate the role of the Authority as important or very important to the success of the industry and their firm.



EFFECTIVENES OF THE AUTHORITY

completed by:

186

Total Firms

119

Regulated

The next few questions focused on the effectiveness of the Authority, in relation to its objectives, and responsibilities.

Firms were asked the extent to which they agree with the following statements:

- “The Authority is effective in protecting customers of regulated firms”
- “The Authority is effective in reducing financial crime”
- “The Authority is effective in maintaining confidence in the island's finance industry though effective regulation”

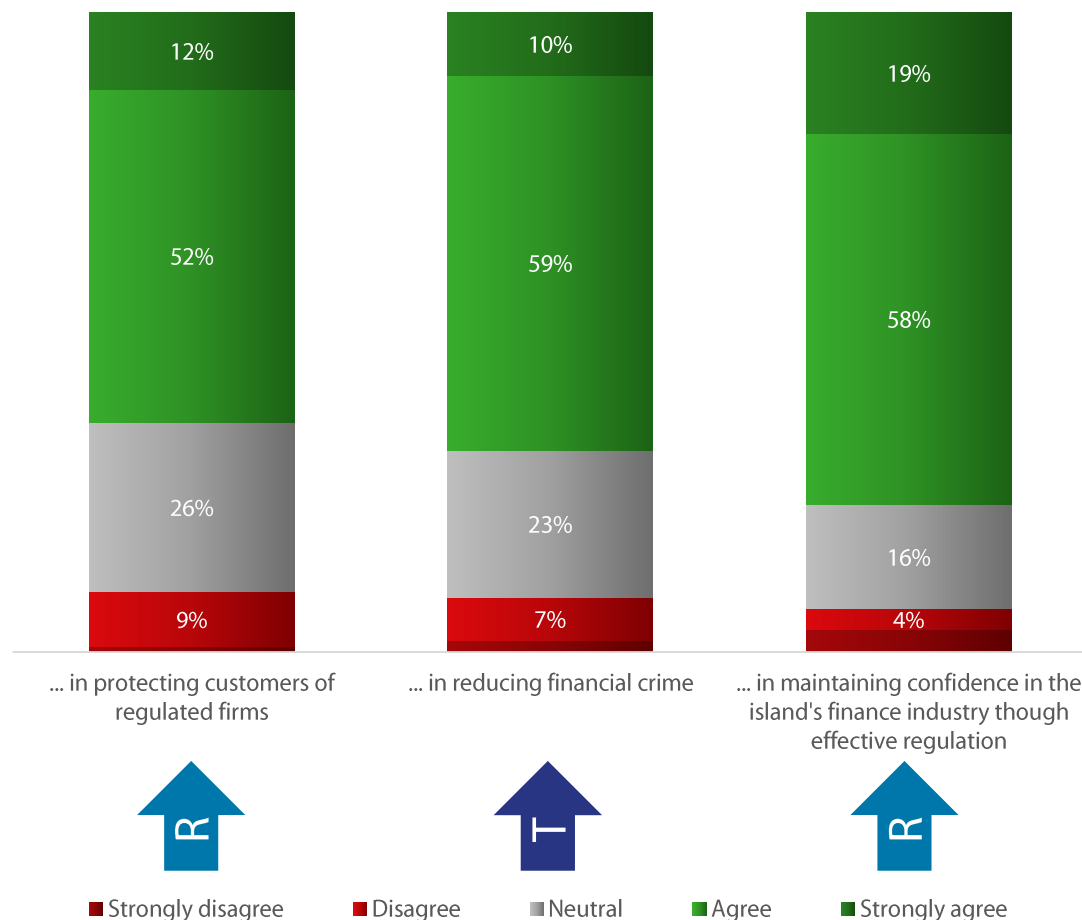
The second statement was asked of all businesses, and the first and third statements were only asked of regulated entities.

The graph presents the views of all firms who answered each question.

For each area asked about, 64% or more of firms agreed/strongly agreed that the Authority is effective. 10% or less disagreed/strongly disagreed with each statement.

We sought clarification on neutral responses during the in-depth interviews and learnt ‘neutral’ may reflect a conservative response (i.e. a lack of information prevents them agreeing), or in the case of consumer protection, the firm has processes or requirements in place irrespective of the Authority's role.

The Authority is effective ...



RESPONSIBILITIES OF THE AUTHORITY

completed by:

186

Total Firms

119

Regulated

Both regulated entities and designated business were asked how effectively they felt the Authority fulfils three responsibilities:

- Monitoring compliance of firms with their AML/CFT obligations
- Taking appropriate, timely and proportionate action
- Providing regulatory guidance and information

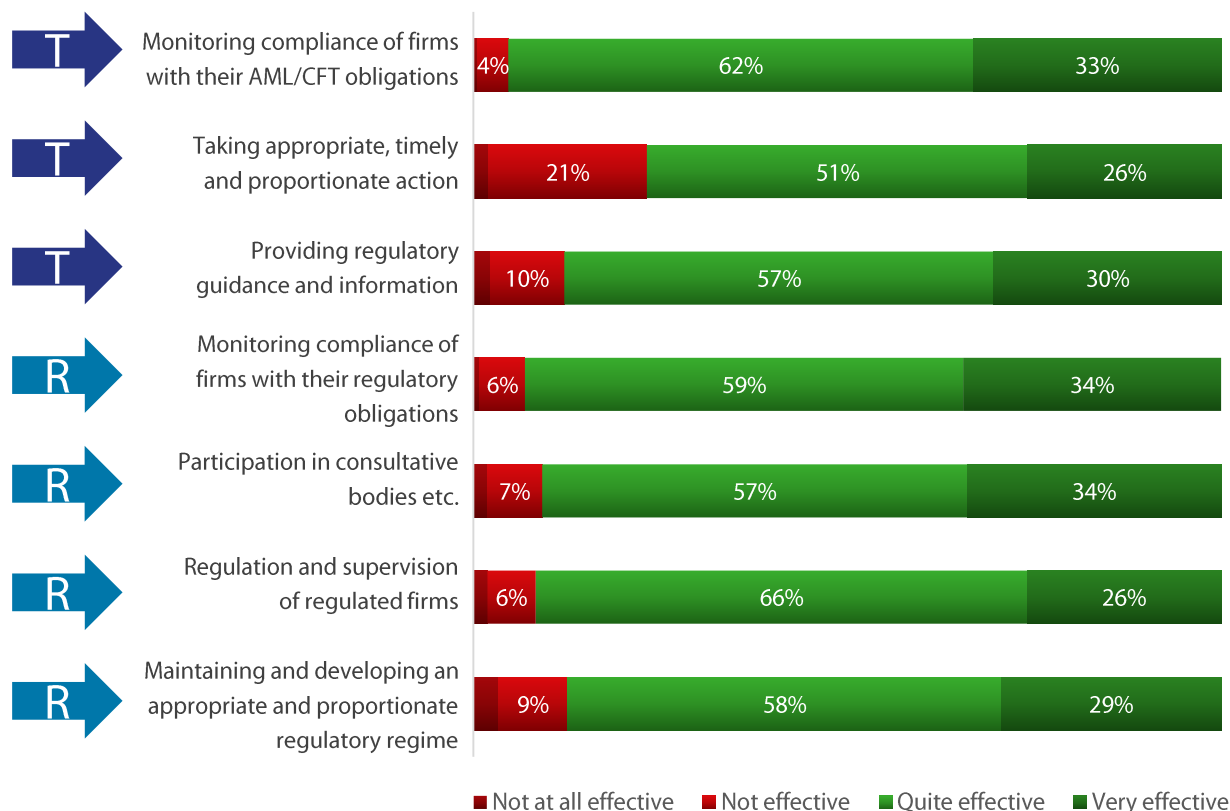
Regulated entities only were also asked how effectively they felt the Authority fulfils the following responsibilities:

- Participation in consultative bodies, working groups, and other arrangements
- Regulation and supervision of regulated firms, including collective investment schemes and retirement benefits schemes
- Maintaining and developing an appropriate and proportionate regulatory regime

This graph presents the views of all firms who answered each question. For all aspects more than a quarter said “very effective” and over 50% said “quite effective”.

“Taking appropriate, timely and proportionate action” has the most scope for improvement, followed by “maintaining and developing an appropriate and proportionate regulatory regime”, and “providing regulatory guidance and information”.

Responsibilities of the Authority



IMPRESSION OF THE AUTHORITY - CONCLUSIONS

- Firms deem the Authority to have an important role to the island's proposition, to the industry and to the strategic success of their firm.
- Designated and small firms are slightly less likely to agree that the Authority is important to their industry or to the success of their firm.
- Over two thirds of firms asked said that the Authority is effective in protecting customers of regulated firms, reducing financial crime and maintaining confidence in the island's finance industry through effective regulation. These are all areas which respondents later suggest are risk areas for the Authority to continue focusing on going forward.
- There is also high agreement that the Authority is effective in fulfilling the responsibilities listed. If looking to improve this further, "Taking appropriate, timely and proportionate action" has the most scope for improvement, followed by "maintaining and developing an appropriate and proportionate regulatory regime", and "providing regulatory guidance and information".
- Following on from this there are some learning points which are apparent from the comments received. The impression of the Authority could be improved by:
 - Provide more support to all firms in understanding and meeting requirements.
 - Consistent enforcement actions (or work to tackle perceived inconsistencies).
 - Ensure regulation is proportionate and not over engineered.



1.4 APPROACH OF THE AUTHORITY AND SUPERVISORY / OVERSIGHT ACTIVITIES

This section reports on the approach of the Authority, Supervisory and Oversight activities including on-site visits, as well as Fitness and Propriety, Authorisation, Registration and Enforcement processes.

APPROACH OF THE AUTHORITY

completed by:

186
Total Firms

119
Regulated

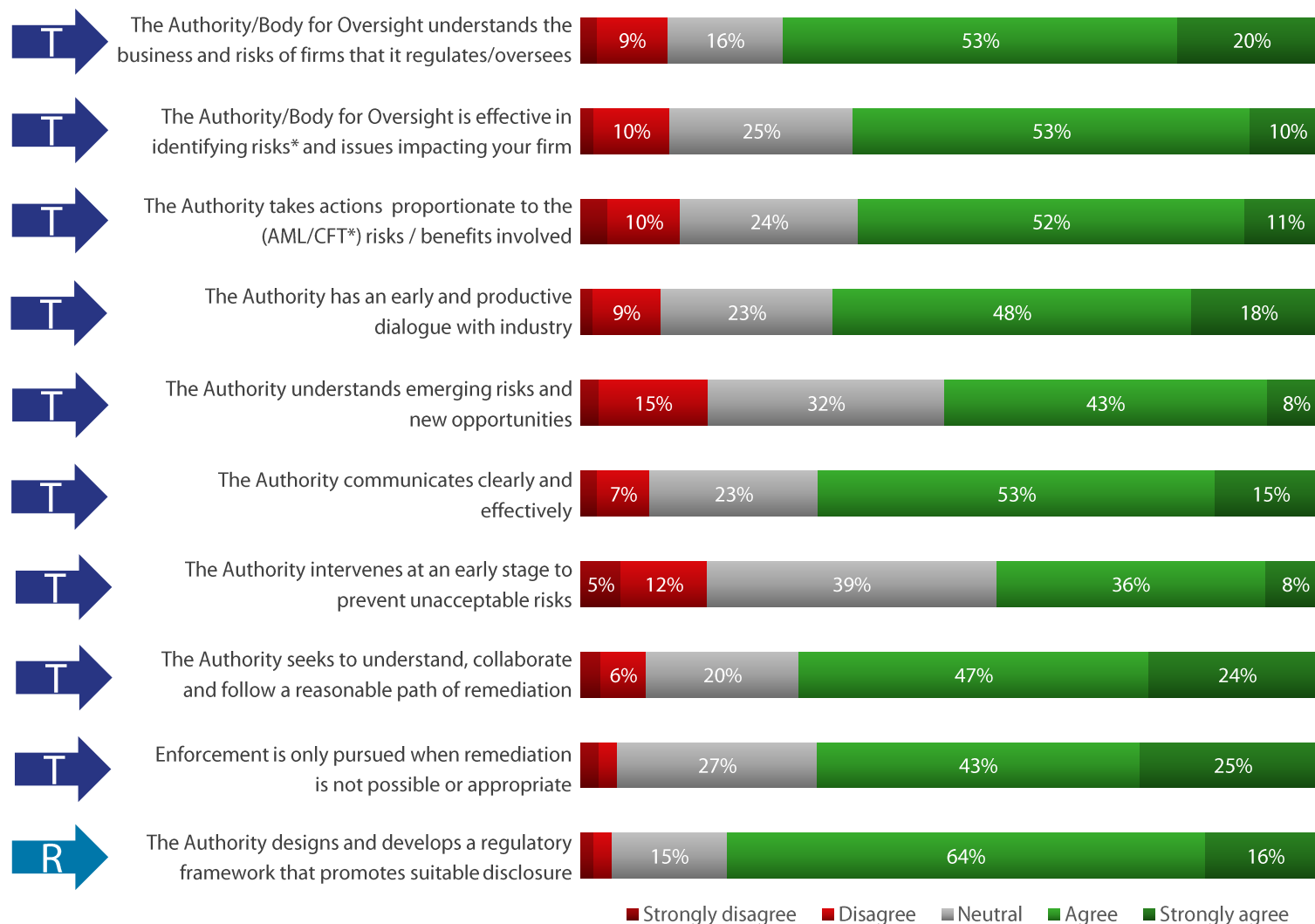
Approach of the Authority

All firms were asked whether they agreed with a set of statements regarding the approach of the Authority (or body of oversight when applicable).

60% or more agreed/strongly agreed with the majority of statements.

This drops to 44% of firms agreeing with “the Authority intervenes at an early stage” and 51% agreeing with “the Authority understands emerging risks and new opportunities”.

**Option defined as “AML/CFT risks...” for designated firms and written as just “risks...” for regulated firms.*



APPROACH OF THE AUTHORITY

completed by:

119

Regulated

67

Designated

By comparing the percentage of firms that agreed/strongly agreed with each statement, it is possible to identify potential differences of opinion between regulated entities and designated businesses in the following areas:

% of firms that agree/strongly agree with:

	Regulated Entities	Designated Businesses
The Authority intervenes at an early stage to prevent unacceptable risks	39%	55%
The Authority understands emerging risks and new opportunities	48%	57%
The Authority/Body for Oversight is effective in identifying risks and issues impacting your firm	57%	-
The Authority/Body for Oversight is effective in identifying <u>AML/CFT</u> risks and issues impacting your firm	-	76%
The Authority/Body for Oversight understands the business and risks of firms that it regulates/oversees	69%	79%

Regulated entities were less likely to agree/strongly agree with these statements than designated businesses. These are all statements relating to risks and understanding of business issues.

16% fewer regulated firms said that they agree “the Authority intervenes at an early stage to prevent unacceptable risks”.

76% of designated businesses agreed that the Authority is effective in identifying AML/CFT risks and issues (specifically phrased as AML/CFT risks for this group), while 57% of regulated entities agreed that the Authority is effective in identifying risks and issues impacting their firm more generally (not specified as AML/CFT risks for this group but the firms may consider this type of risk when answering the question).

APPROACH OF THE AUTHORITY

completed by:

102

Small

73

Medium/
Large

By comparing the proportion of firms that agreed or strongly agreed with each statement, it is possible to identify potential differences of opinion between small and medium/large firms in the following areas:

% of firms that agree/strongly agree with:

	Small Firms	Medium/Large Firms
The Authority communicates clearly and effectively	60%	82%
The Authority seeks to understand, collaborate and follow a reasonable path of remediation	62%	82%
Enforcement is only pursued when remediation is not possible or appropriate	59%	85%

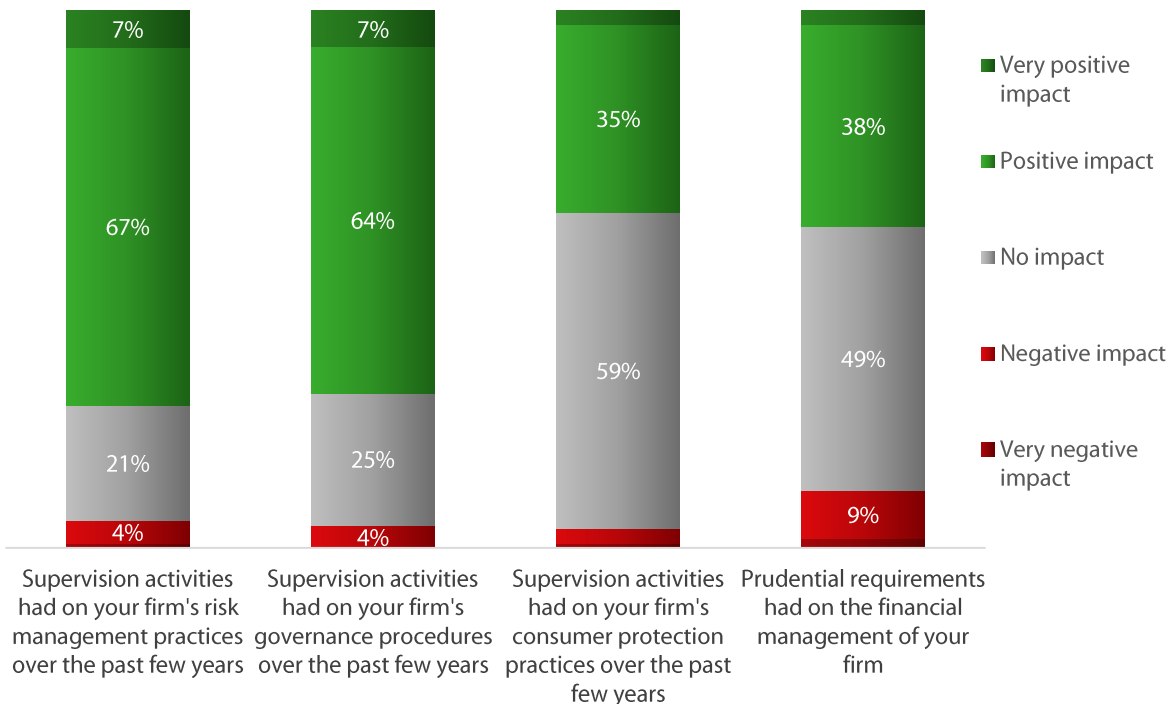
Small firms were less likely to agree or strongly agree with these statements than medium and large firms, by more than 20% points. These are three statements concerning communication and remediation, suggesting that the relationships between the Authority and smaller firms may not be as strong as those between the Authority and larger firms.

SUPERVISORY ACTIVITIES - IMPACT & EFFECTIVENESS

Regulated entities were asked about the impact and effectiveness of the Authority's supervisory activities.

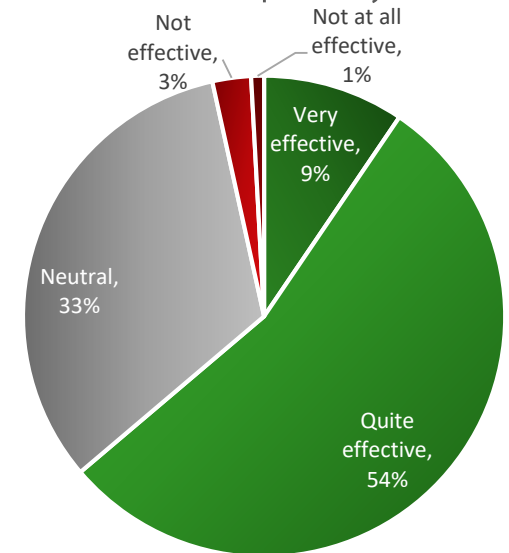
More than 70% of regulated entities reported that the Authority's supervisory activities had a positive impact on their risk management and governance procedures, though the impact was much less on their consumer protection practices. The prudential requirements also had a more limited impact.

Impact of the Authority's...



63% of regulated entities considered the Authority's supervisory activities were effective. One third selected "neutral" and only 4% considered them not effective or not at all effective.

Effectiveness of Supervisory Activities



SUPERVISORY ACTIVITIES - IMPACT & EFFECTIVENESS

Regulated entities were given the opportunity to explain why they considered the supervision to be effective or not effective.

Why Effective

Communication and relationships with the Authority are consistently described in a very positive light.

- The Authority is seen as accessible, informative, approachable, pro-active, collaborative, positive, pragmatic, and as enabling constructive dialogue. Regular communication/reporting and site visits/meetings praised.
- A number of firms commented that it has led to improvements/benefits within their business and to the robustness of their procedures. Activities believed to promote good practice, a secure environment to do business, a more structured approach to risk management and the consideration of decisions from a regulatory perspective.
- Guidelines are said to be clear, and activities are thought to be appropriate and proportionate by those who commented on this. However, those who thought supervision was effective also highlighted the need to balance proportionality with risk.

Why Not Effective

Very few negative comments received since only 4% considered supervision to be not effective. The reasons given are that:

- A lack of technical understanding in the teams undertaking supervisory activities is cited.
- Criticism of the authority when there is a lack of response following reporting of doubts/wrong-doing.
- Some firms believe that there are a large number of changing rules and regulation. This is difficult for them to understand, comply with and there is a complaint that the costs of compliance have increased dramatically for small firms.

"Collaborative approach to issue resolution, pragmatic approach to understanding issues, willingness to work with industry."

"...good open, helpful and constructive dialogue with the FSA assisting in us meeting and understanding our obligations. We feel that the FSA have recognised our "risk" level and have adopted an appropriate level of oversight."

"Accessible, approachable and collaborative."

"Promotes a secure environment to do business."

"We have amended our procedures as a result of supervisory activities and these have been to our benefit."

"The FSA's monitoring of our processes and onsite inspections are appropriate. The outcomes of FSA reviews have been constructive and led to improvements. But needs to be balanced with proportionality and risk on a case by case basis."

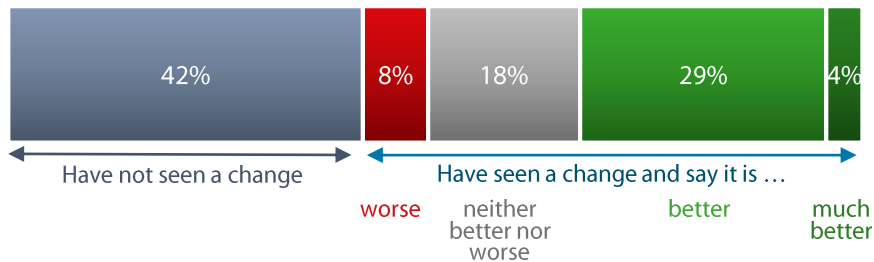
"Whilst the Authority has some excellent people, our experience is that the teams undertaking supervisory activities can lack technical understanding and expertise leading to ineffective supervision and unnecessarily strained relations because the wrong issues are escalated and errors are not acknowledged."

SUPERVISORY ACTIVITIES - CHANGE IN APPROACH

58% of regulated entities had seen a change in the supervisory approach of the Authority in the last 24 months.



- 33% of regulated entities has seen a change in the supervisory approach and said it had improved.
- 18% had seen a change and that it was neither better nor worse
- 9% had seen a change and said it was worse. 0% said had seen a change that that it was much worse.



Firms that selected either worse or better were asked to explain why they thought this. Those that said it has improved tend to feel that there is now a better working relationship between the Authority and themselves.

“Change of methodology in encouraging businesses and regulator to work together to reach conclusions/finalise guidance. Listening to businesses/industries and encouraging two-way feedback.”

Those that said it is worse believe that, for them, there is less support than previously.

“...an effective regulatory regime should positively encourage business and support licenceholders in their efforts to achieve excellence within the regulatory framework.”

Why Improved

- Better communication with industry e.g. more consistent, open, proactive, more engaged, approachable and helpful, two way communication, end customer focused
- Specific examples of improvements:
 - Themed/focus visits
 - Regular meetings maintain open and active dialogue and effective feedback
 - Introduction of the AML/CFT Questionnaire and CAR - Clients' Assets Report
 - More targeted approach to identifying potential risk areas
 - More behavioural than rules based actions
 - Karen Badgerow described positively
 - More recognition of shortfalls in areas affecting consumer confidence

Why Worse

- Inadequate understanding of business/products/activity type.
- The focus has moved away from guidance and support towards supervision only/autocratic stance. Lost accessibility to the regulatory team and informal guidance previously relied upon.
- Lost speed to market/speed of response slower. Can be a barrier to business. Queried if resourcing is an issue.
- Increased burden on industry / regulated entities.
- Too much regulatory change too quickly. Too much consultation in short time-frame.

RISK PRIORITY AREAS

- RISKS WITHIN THE INDUSTRY

Regulated entities were asked *"In relation to the risks within your industry, what one or two risk areas do you believe should be the priorities for the Authority over the next few years?"*.

The responses are wide ranging, and have been grouped into key themes. More frequently suggested risk areas are in bold. Over regulation was the most commonly proposed risk area, followed by cybersecurity and specific examples of where further (appropriate) regulation/oversight could be introduced.

Reputational Risks, Security & Criminal Activity	Working with Firms	Regulation	External (Political) Factors	Industry Viability/ Decline
<ul style="list-style-type: none"> • Cybersecurity, cybercrime and fraud • Anti-money Laundering/Combating the Financing of Terrorism • Reputational risk from high risk industries or associations with off-shore finance • Consumer Protection • GDPR & data security • Tax evasion structures • Practitioners without permission to undertake regulated activities 	<ul style="list-style-type: none"> • Improve advice given to firms • Appropriate management of smaller Firms • Customer focus • Skill level concerns 	<ul style="list-style-type: none"> • Over regulation / lack of proportionality • Examples of further (appropriate) regulation or oversight that could be introduced • Fintech (including Crypto Sector, virtual currencies & blockchain) • Pension reform • Captive Industry • Competitiveness with other regimes • Client asset monitoring • Working towards international standards • Fund management / investments 	<ul style="list-style-type: none"> • Regulation of other jurisdictions, including changes due to Brexit • Response to external pressures/perceptions • Negative press 	<ul style="list-style-type: none"> • Lack of banking services in the Isle of Man • TCSP consolidation • Strategic industry development • Decline of the fund industry

RISK PRIORITY AREAS

- RISKS TO THE INTEGRITY OF THE ISLE OF MAN

Regulated entities were also asked *“In relation to the risks to the integrity of the Isle of Man as a responsible international financial centre, what one or two risk areas do you believe should be priorities for the Authority over the next few years?”*.

There was more consistent messaging from respondents on this topic. The key concepts are summarised below, although it is evident that they are all interlinked and similar to many of the suggestions for risks within the industry. The reputation of the Isle of Man and AML were very frequently suggested, and reputational risk is at the core of many of the responses.

Promote the reputation of the Isle of Man	Appropriate regulation to enhance the Isle of Man's reputation	External political factors & Lack of banking services	Consumer protection, fraud, failures of conduct and new technology
<p>Protect and promote the reputation of the Isle of Man as a safe place to do business and, where appropriate, as a leading jurisdiction.</p> <p>Counter negative perceptions of the island being an offshore finance centre associated tax evasion/aggressive avoidance, money laundering etc.</p> <p>Related to this are statements that it is important to have equivalent regulatory regimes to comparable jurisdictions, and foster strong international business partnerships.</p> <p>AML and tax evasion/aggressive avoidance were listed as risks in their own right a number of times.</p>	<p>Continue to review and strengthen regulation, procedure and governance controls.</p> <p>Promote robust controls and maintain international compliance to enhance and maintain the island's reputation.</p> <p>This, however, should not be to the extent that businesses are disadvantaged compared to their competitors in other jurisdictions.</p> <p>Over regulation and too much regulatory change are also a concern on a couple of fronts, including competitiveness and the rising costs of compliance to firms.</p> <p>Related to this is the sense that small businesses could be better supported, as some feel at risk and that regulation is disproportionately complex for their size of business.</p>	<p>Brexit, EU objectives and the views of international bodies are thought to be important risks with, as yet, unknown consequences on the Isle of Man's economy as a whole and on the financial sector.</p> <p>Perhaps linked to external perceptions of the Isle of Man, is that the risk appetite for banks operating in the island is reported to have fallen leading to a lack of banking services for Isle of Man based clients.</p> <p>Several firms asked the Authority to address these issues around the availability of banking services in the Isle of Man.</p>	<p>Champion consumer protection.</p> <p>Deliver an effective prevention & detection regime to combat failures of conduct. High profile failures are considered a reputational risk.</p> <p>Focus on data protection and security, and counter cybercrime and fraud.</p> <p>Linked to this is the understanding of the risks vs benefits of emerging technology. Related suggestions/risks included the Crypto Sector, and training staff/providing experience in “new emerging activities and markets associated with new technologies”.</p>

SUPERVISORY & OVERSIGHT ACTIVITIES

- ON-SITE VISITS

completed by:



**Small sample sizes*

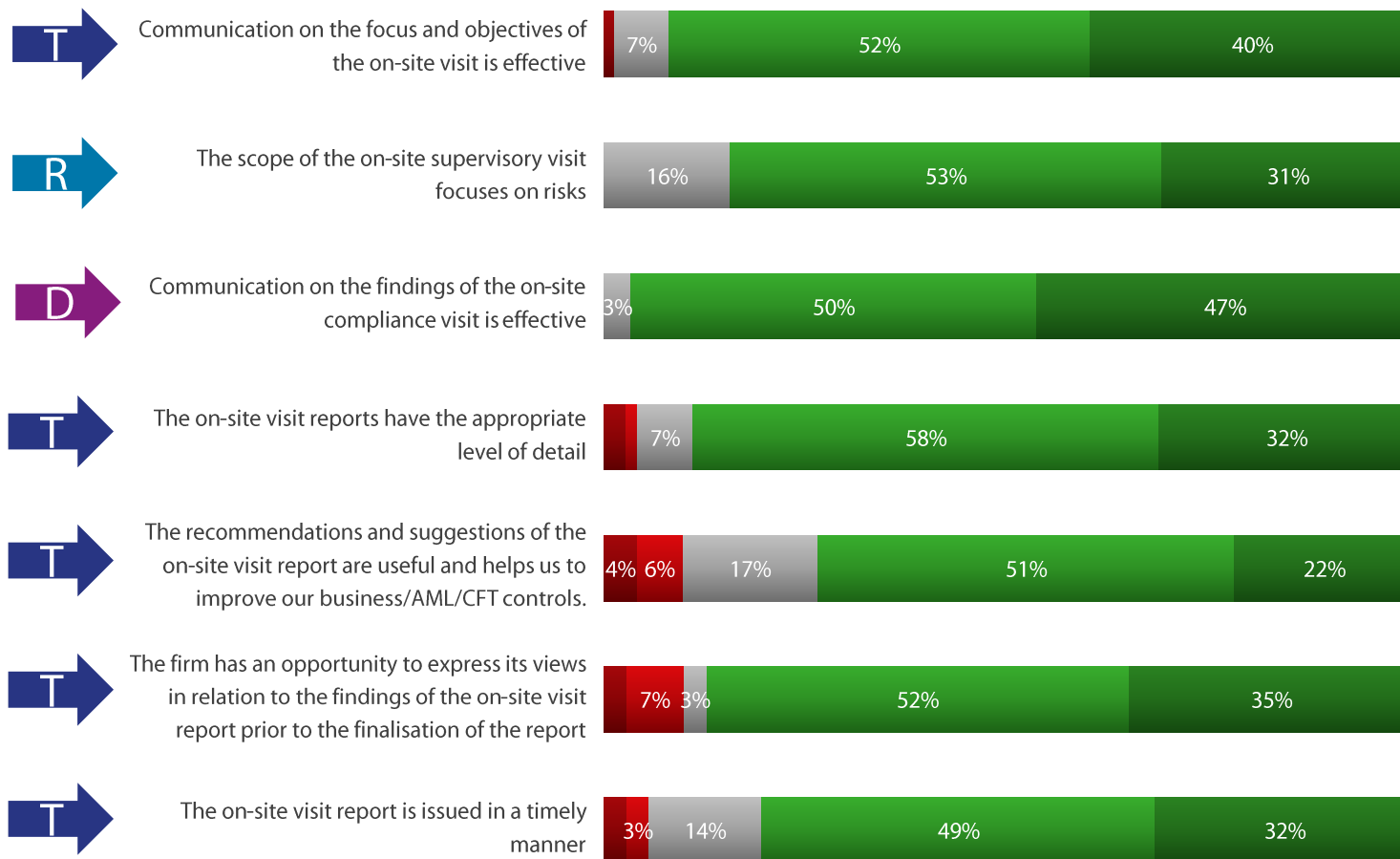
46 regulated entities* and 30 designated businesses* had experience of on-site supervisory or oversight visits from the Authority over the last 24 months, making a total of 76 firms answering this section.

These firms were asked whether they agreed with a selection of statements in relation to on-site supervisory visits.

The results are very positive, with between 73% and 92% agreeing with every statement.

The 4% that disagreed with the statement 'The on-site supervisory visit reports have the appropriate level of detail' were asked why. The following responses were received:

- No report issued following Annual Business Meeting.
- Incorrect assumptions made, despite representations.
- Too complex for a small business that operates with [low] turnover.

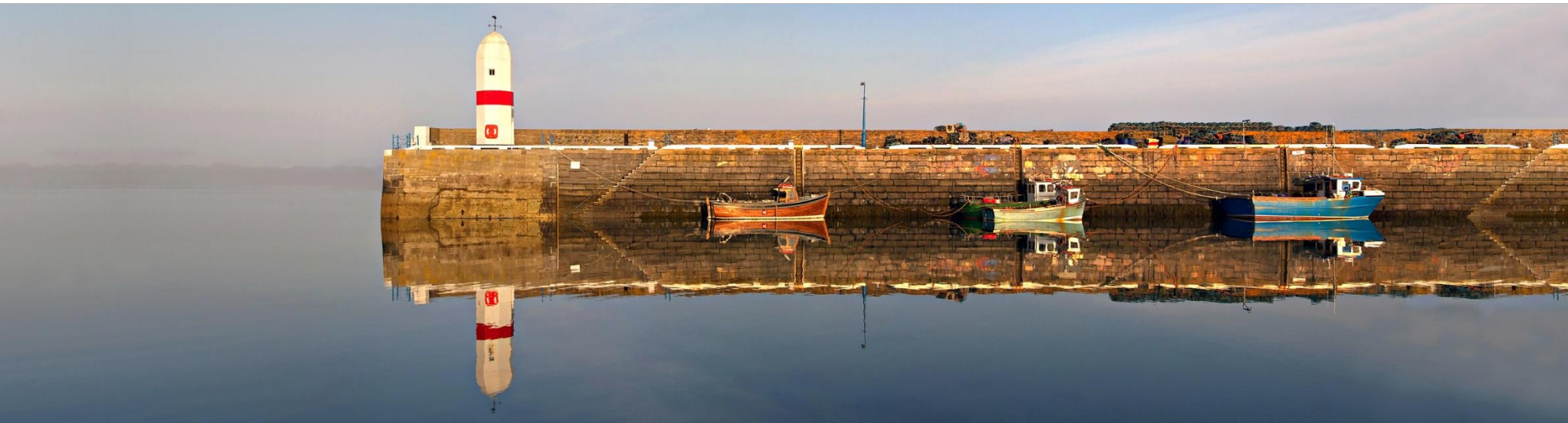


■ Strongly disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly agree

SUPERVISORY & OVERSIGHT ACTIVITIES - COMMENTS

Respondents were asked if they had any further comments relating to supervision or oversight. Themes that can be drawn out include:

- A number of firms said that visits are improving, both in style and in terms of the ease of dealing with Authority staff. Others said that visits have always been constructive in their experience.
- A better understanding of the operating environment and commercial interface of businesses would make supervisory activities more effective.
- Some firms said that the planning of onsite/supervisory visits needed to be improved, and there were cases when they believe the report should have been sent to them more quickly.
- Firms appreciate the ability to comment on reports, and that on-site visits are undertaken in a “consultative style” which allows them to clarify points raised. However, there is some disappointment that these comments are not taken into consideration when the report is finalised.



FITNESS & PROPRIETY ASSESSMENTS - EFFECTIVENESS

completed by:

186
Total Firms

119
Regulated

67
Designated

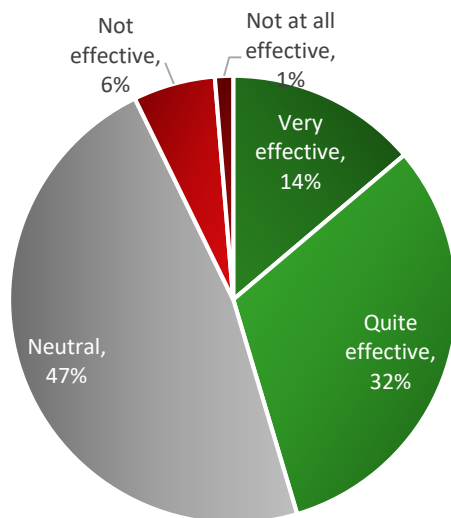
102
Small

73
Medium/
Large

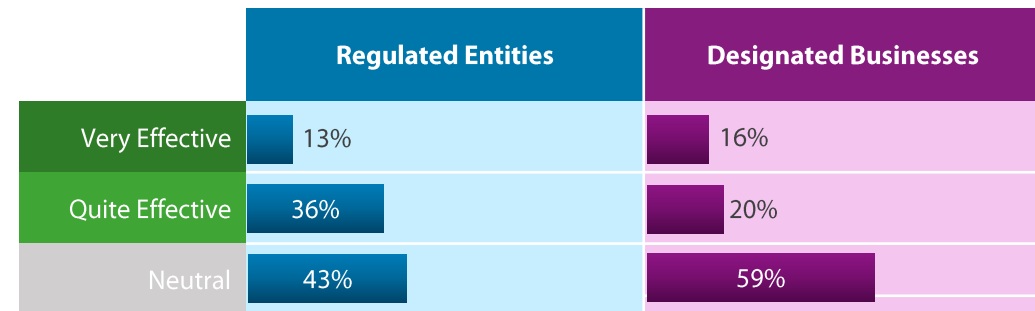
All firms were asked how effective they think the Authority's fitness and propriety (vetting) assessment process is, whether their firm had recent experience of it or not.

45% said quite or very effective, while 7% said not or not at all effective. Almost half were "neutral". A smaller proportion of designated and small businesses said "quite effective", while a higher proportion of these types of firms were "neutral".

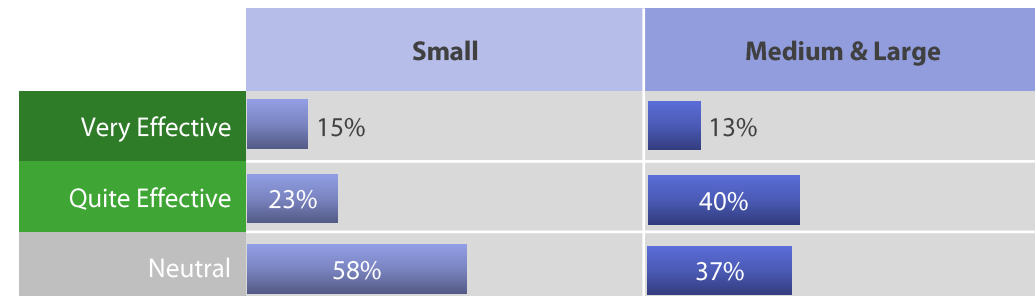
Effectiveness of Fitness & Propriety Assessments



% of firms that selected



% of firms that selected



FITNESS & PROPRIETY ASSESSMENTS

- EFFECTIVENESS

Firms who said quite or very effective and were asked for comments to explain why they think the process is effective. Similarly, firms who selected not effective or not at all effective and were asked for comments to explain why they think the process is not effective.

Why Effective

- Application(s) dealt with promptly and efficiently.
- A clear and straightforward process to follow.
- A thorough, comprehensive process. Asks the right/appropriate questions - including areas of uncertainty and conflicts of interest.
- Considered to be robust and timely.
- Is applied consistently.
- However, "no objection" response does not give the same level of comfort as the previous "approved".

Why Not Effective

- Places little value on a candidate's experience over specified qualifications.
- Process could go further: e.g. "seen as a process to be applied and is absent of any real licenceholder input", "face-to-face interviews [should be] standard for Directors and Trustees", and the suggestion that some individuals are not truthful about professional qualifications and CPD during the process.
- No objection process.
- Improve efficiency for staff moving between roles or firms.

"It helps to ensure only suitably experienced professionals are considered for key roles in regulated businesses."

"Accomplishes the purpose, however could move to an online process for efficiency purposes like other offshore centres"

"The level of checks to ensure fitness of an individual is very detailed and covers all necessary and appropriate areas."

"No efficient way to simply update vetting when key persons move employment between regulated firms within the Isle of Man."

"License individuals to practice in the industry."

"I haven't seen a change in approach by supervisory staff to match the changes in policy set out by the Authority. This is particularly evident in relation to delegated authorities."

"Directors and Trustees need to have a face to face interview as standard with the FSA to test their knowledge of Co/Trust law and compliance issues."

FITNESS & PROPRIETY ASSESSMENTS

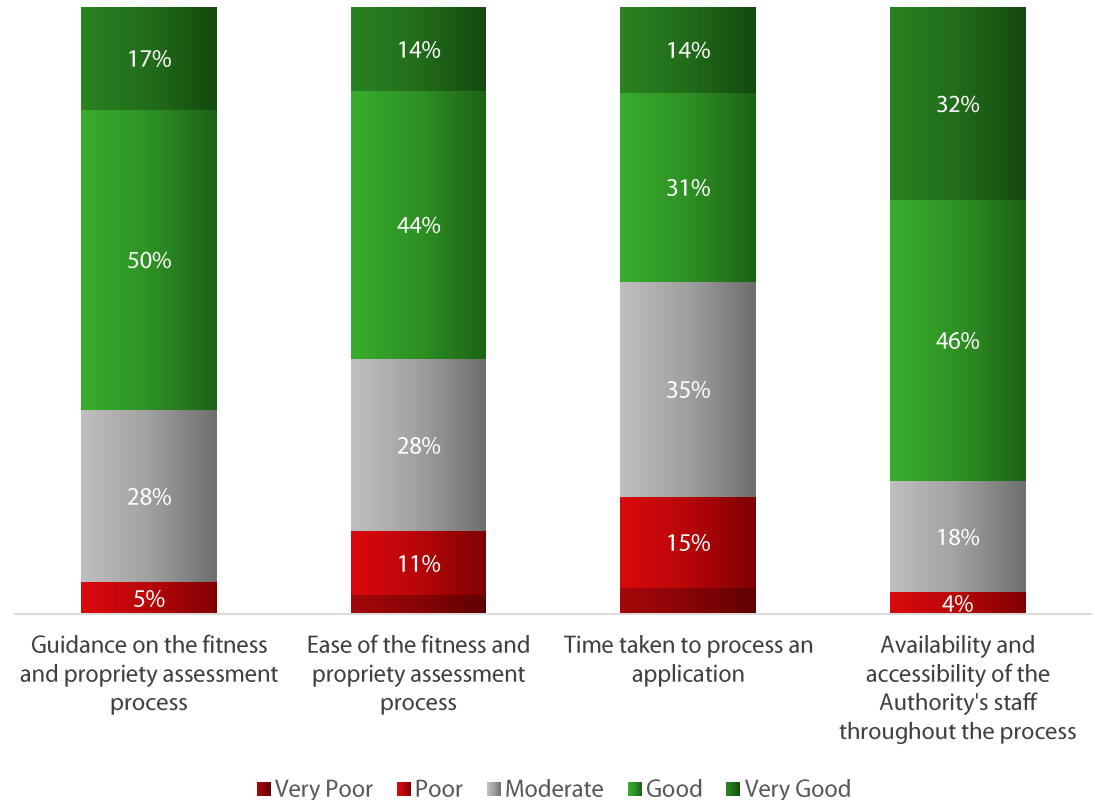
- RATE THE PROCESS

95 firms said they had experience of fitness and propriety assessments from the Authority in the last 24 months. Of these, 81 are regulated entities and 14 are designated businesses. These firms were asked to rate the fitness and propriety assessment process on four aspects, as depicted in the graph.

The availability of the Authority's staff performs highly, with 78% of firms saying this is good or very good in relation to the Fitness and Propriety process.

There is most room for improvement in the time taken to process an application, however it is still a fairly high score of 45% selecting good or very good.

Fitness & Propriety: Rate the following aspects:



FITNESS & PROPRIETY ASSESSMENTS - COMMENTS

Firms were asked if they had any further comments relating to fitness and propriety assessments.

There were several comments that it works well:

- *"For designated businesses, it is quite a quick and easy process"*
- *"the guidance notes were excellent"*
- *"This process works well and is constructive"*

Issues were raised around the police check and reference process now it is not carried out by the Authority– e.g. frustrating, time consuming, expensive, reliant on the proposed person to obtain and supply data.

"Too rigid approach to training and competency framework." - small businesses in particular may struggle with requirements for qualifications, and feel that experience in the Industry does not hold enough weight in the eyes of the Authority.

There were suggestions that it should move to an online system. Reference to the more detailed web-based formulas of JFSC/GFSC made.

Other more specific comments:

- Guidance needs *"greater clarity on the roles requiring PQ and the vetting process"*.
- *"It would be good to receive an e-mail confirming that the forms have been received and advising who will be dealing with the requests, so queries can go direct to that person (rather than through the relationship manager)"*.
- *"The process to change a role seems excessive if you are already approved"; "Consideration to relax rules where an individual has held a position within the same Group for a prolonged period"*.
- *"We note that you are asking questions about the vetting process when there is a current consultation on changing it. We have previously raised concerns about the guidance around this process and the wording used on the forms and have struggled to make them fit our current business model. A review of the process was clearly overdue and we welcome the current consultation exercise."*

AUTHORISATION

completed by:



*Small sample sizes

Regulated entities were asked about their experience of the Authorisation process.

13 firms* had experience of consideration and determination of initial application for permissions within the last 24 months. These firms were asked how effective this process is. 1 said very effective and 6 said quite effective.

15 firms* had experience of applications for extensions to permissions within the last 24 months. These firms were asked how effective this process is. 2 said very effective and 4 said quite effective.

30 firms* had experience of change of controller applications within the last 24 months. These firms were asked how effective this process is. 6 said very effective and 13 said quite effective.

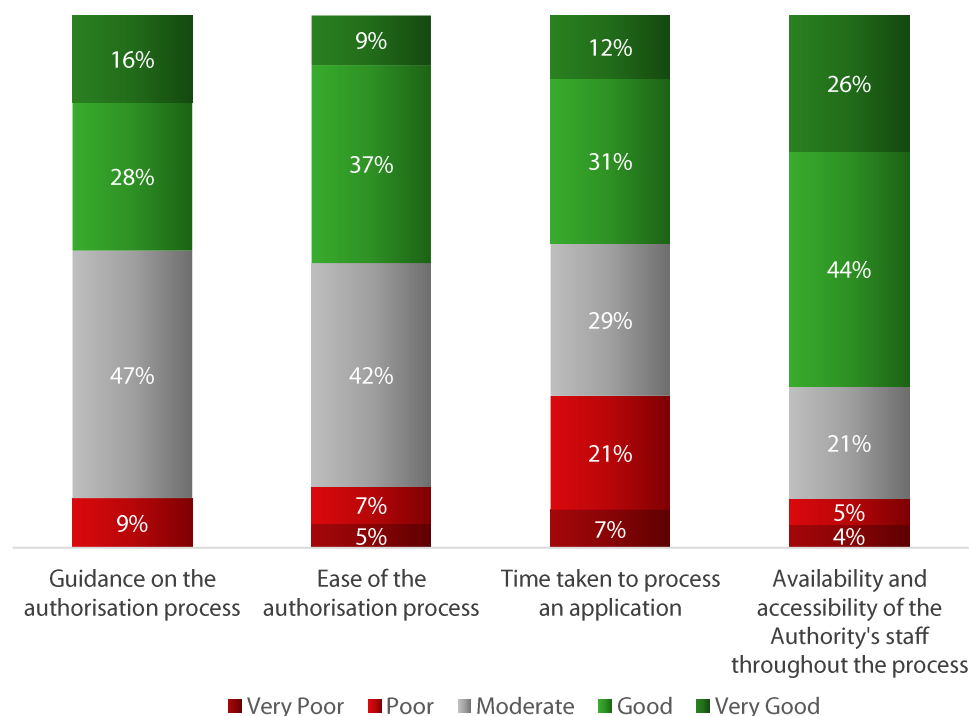
Number of Firms:

	Consideration and determination of initial application for permissions	Applications for extensions to permissions	Change of controller applications
Very Effective	1	2	6
Quite Effective	6	4	13
Neutral	5	6	9
Not Effective	0	2	2
Not at all Effective	1	0	0
Don't Know/No Answer	0	1	0

Overall, 44 regulated entities* had experience of one or more of these processes. They were asked to rate aspects of the authorisation process.

Again, the availability of the Authority's staff performs highly with 78% of firms saying this is good or very good. There is room for improvement in the other aspects, particularly the time taken to process an application. However, they are still fairly high scores, with 40-45% of firms selecting good or very good.

Authorisation: Rate the following aspects:



REGISTRATION

completed by:

50

Designated

*Small sample sizes

Designated businesses were asked about the registration process.

48 firms*, had experience of application for registration within the last 24 months. These firms were asked how effective this process is. Around two-thirds said very effective or quite effective.

7 firms*, had experience of change of controller applications within the last 24 months. These firms were asked how effective this process is. No firms selected not effective or not at all effective, however this is a very small sample size.

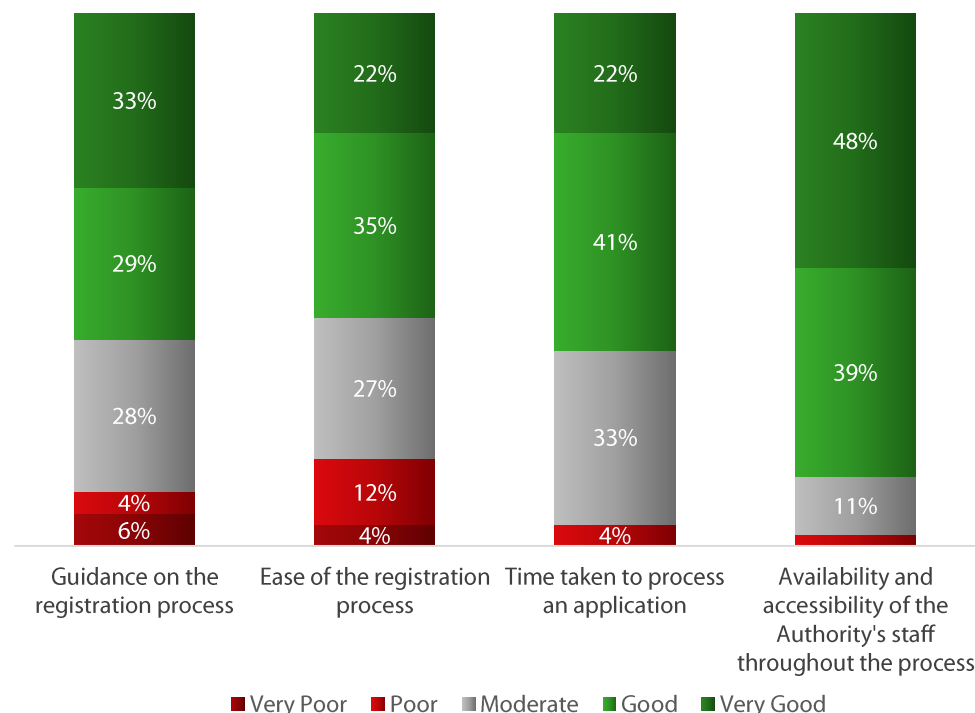
Number of Firms:

	Consideration and determination of initial application for permissions	Change of controller applications
Very Effective	14	3
Quite Effective	17	3
Neutral	12	1
Not Effective	0	0
Not at all Effective	0	0
Don't Know/No Answer	5	0

Overall, 50 designated businesses* had experience of one or more of these processes. They were then asked to rate aspects of the registration process overall.

The availability of the Authority's staff performs very highly with 87% of firms saying this is good or very good. Around 60% of firms rated the other aspects of the process as good or very good.

Registration: Rate the following aspects:



AUTHORISATION - COMMENTS

Regulated entities were asked if they had any further comments relating to authorisation processes.

The key piece of constructive feedback was that a user guide/guidance notes with clear instructions on how to complete the process would be helpful.

Those leaving a comment and said poor for one or more of the processes highlighted:

- An absence of awareness of the commercial impact of the use of supervisory powers (in this instance it impacted on whether the firm wanted to make the Isle of Man a “jurisdiction of choice”).
- It is a “bureaucratic ” process.
- A poor experience with Authority staff during a recent authorisation process is not consistent with other good experiences the firm has had with the Authority.

REGISTRATION - COMMENTS

Designated businesses were asked if they had any further comments relating to registration processes.

Positive feedback was received about the relevant staff at the Authority. However areas for improvement could include:

- Difficult for small businesses to follow and understand, with duplication to the same person.
- The process could take more note that all qualified professionals are already regulated by their professional body.
- More explanation about the requirement to undertake registration and more input about the process from the Authority is required.

ENFORCEMENT

completed by:



Impact of the Authority's enforcement on industry:

All respondents were asked "Overall, what impact has the Authority's enforcement of the regulatory and AML/CFT obligations had on your industry?".

60% said that the Authority's enforcement has had a positive or very positive impact on their industry. Designated businesses and small firms are slightly more likely to say that it has no impact or a negative impact when compared with regulated entities and medium/large firms.



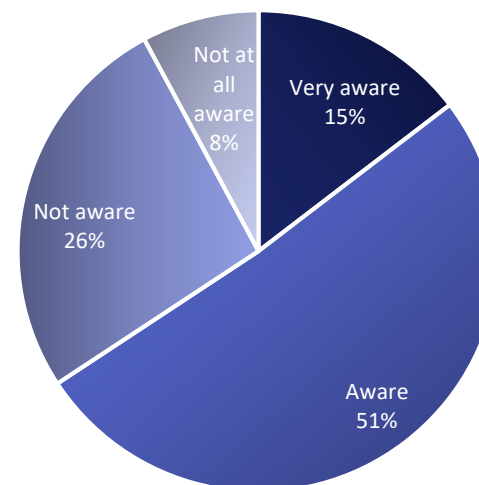
■ Very Negative impact ■ Negative impact ■ No impact
■ Positive impact ■ Very positive impact

% of Firms:

	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
Very positive / Positive	66%	48%	52%	69%
No Impact	21%	33%	30%	21%
Negative / Very Negative	13%	19%	18%	10%

Awareness of enforcement actions:

All respondents were also asked how aware they are of the enforcement actions undertaken by the Authority in the past 24 months. 66% said that they were aware or very aware.



Regulated firms tended to be more aware of enforcement actions than designated businesses. Size of firms does not impact awareness.

% of Firms:

	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
% Aware / Very Aware	74%	52%	64%	68%

ENFORCEMENT

completed by:

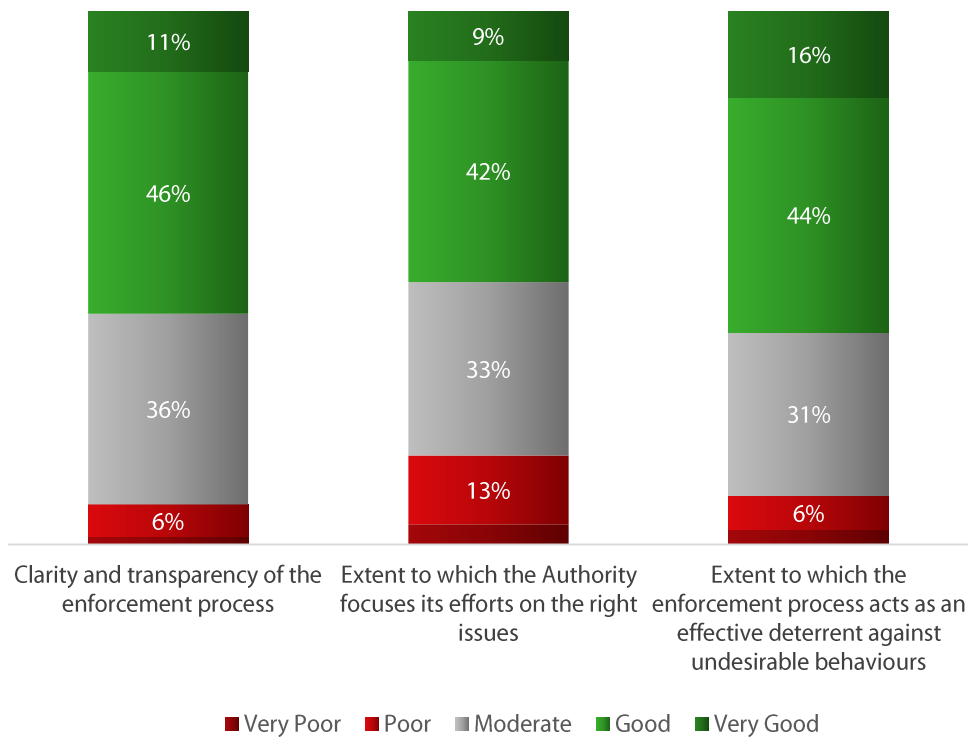
186

Total Firms

All respondents rated various aspects of the enforcement process. Each aspect was rated as good or very good by 50-60% of firms.

The extent to which the Authority focuses on the right issues received the worst ratings out of the three - 17% of firms selected poor or very poor, compared to 7% and 9% for the other two aspects respectively.

Enforcement: Rate the following aspects:



ENFORCEMENT

completed by:



These tables show the breakdown of how many regulated and designated firms selected each option.

A similar proportion of both types of firms said poor or very poor in each case. For the extent to which the Authority focuses on the right issues and to which the enforcement process acts as an effective deterrent; compared to regulated entities, designated businesses were slightly less likely to say very good or good and slightly more likely to say moderate.

For each question around a third of firms selected did not know or skipped the question. This is a similar proportion to those who either were not aware of the enforcement actions undertaken by the Authority in the past 24 months or did not know how to answer that question.

Right issues:

Number (%) of Firms:

	Total Firms	Regulated Entities	Designated Businesses
Very Good	12 (9%)	4 (5%)	8 (18%)
Good	55 (42%)	45 (52%)	10 (22%)
Moderate	43 (32%)	23 (26%)	20 (45%)
Poor	17 (13%)	11 (12%)	6 (13%)
Very Poor	5 (4%)	4 (5%)	1 (2%)
<i>Don't know / No answer (excluded)</i>	54	32	22

Clarity and transparency:

Number (%) of Firms:

	Total Firms	Regulated Entities	Designated Businesses
Very Good	15 (11%)	9 (10%)	6 (13%)
Good	61 (46%)	41 (47%)	20 (43%)
Moderate	48 (36%)	30 (35%)	18 (38%)
Poor	8 (6%)	6 (7%)	2 (4%)
Very Poor	2 (1%)	1 (1%)	1 (2%)
<i>Don't know / No answer (excluded)</i>	52	32	20

Effective deterrent:

Number (%) of Firms:

	Total Firms	Regulated Entities	Designated Businesses
Very Good	23 (16%)	12 (13%)	11 (22%)
Good	63 (44%)	49 (52%)	14 (29%)
Moderate	44 (31%)	23 (25%)	21 (43%)
Poor	9 (6%)	7 (7%)	2 (4%)
Very Poor	4 (3%)	3 (3%)	1 (2%)
<i>Don't know / No answer (excluded)</i>	43	25	18

ENFORCEMENT

completed by:

102

Small

73

Medium/
Large

These tables show the breakdown of how many small and medium/large firms selected each option.

As previously, a significant proportion of both groups selected don't know or did not answer.

There were not large differences according to firms size but there is some indication of the following:

- Clarity and transparency: small firms were slightly less likely to select "good" and slightly more likely to select "moderate".
- Right issues: small firms were slightly less likely to select "moderate" and more likely to select "poor"/"very poor".
- Effective deterrent: small firms were slightly less likely to select "good" and slightly more likely to select "moderate".

Right issues:

Number (%) of Firms:

	Small Firms	Medium/ Large Firms
Very Good	6 (8%)	4 (8%)
Good	30 (41%)	24 (46%)
Moderate	21 (29%)	18 (34%)
Poor	12 (16%)	5 (10%)
Very Poor	4 (6%)	1 (2%)
Don't know or No answer (excluded)	29	21

Clarity and transparency:

Number (%) of Firms:

	Small Firms	Medium/ Large Firms
Very Good	8 (11%)	6 (11%)
Good	30 (41%)	27 (50%)
Moderate	29 (40%)	17 (32%)
Poor	4 (5%)	4 (7%)
Very Poor	2 (3%)	0 (0%)
Don't know or No answer (excluded)	29	19

Effective deterrent:

Number (%) of Firms:

	Small Firms	Medium/ Large Firms
Very Good	12 (15%)	8 (14%)
Good	33 (41%)	29 (52%)
Moderate	27 (34%)	14 (25%)
Poor	6 (7%)	3 (5%)
Very Poor	2 (3%)	2 (4%)
Don't know or No answer(excluded)	21	17

ENFORCEMENT - COMMENTS

Respondents were asked if they had any further comments relating to enforcement processes. The comments received suggest that:

Firms would like the Authority to provide more feedback about enforcement actions and provide follow up analysis of important cases for industry to learn from. This is true for both regulated and designated firms.

- Firms suggested publication of actions on the Authority's website, in the Annual Report, and *"examples of enforcement action given at seminar's, no names but generally what people / firms are doing wrong"*.
- *"The recent publication of enforcement details is a positive development. Not only does it demonstrate to the wider audience that actions are taken but it also provides useful relevant case studies of how and where it can all go wrong"*.
- Another felt that *"ongoing updates in relation to actions and ongoing cases."* would be helpful.

Some small firms implied that they find processes hard to follow and have a fear of being caught up in an enforcement action despite intentions to follow requirements. Additionally, there are *"licence holders who have a desire to do the right thing and are prepared to rectify matters if given adequate time and the opportunity to do so"*.

There is a perception by some that enforcement can be inconsistent and disproportionate e.g. high profile enforcements avoided while small businesses receive the *"full extent of enforcement"*.

A couple of comments were received that the process is too rigid and narrow, as well as that it is onerous where clients are long term residents. The suggestion that a greater use of investigating accountants / formal directions may help avoid the likelihood of failures was made.

Finally, it is felt that during an investigation, communication with the firm(s) involved could be improved and that it can take too long to come to a conclusion. However, we received very few comments from firms that had any direct involvement with enforcement actions.

APPROACH OF THE AUTHORITY

- CONCLUSIONS

Approach:

- 60% or more agreed/strongly agreed with the majority of statements about the approach of the Authority.
- Regulated firms are more likely than designated firms to believe that the Authority could be more effective in identifying risks and issues affecting business, and that the Authority could intervene earlier to prevent unacceptable risk.
- Smaller firms may be less satisfied than larger ones with their remediation relationship and communication with the Authority.

Supervisory & On-Site Visits:

- The Authority's supervisory activities have had a positive impact on regulated firms' risk management practices and governance procedures, but fewer regulated firms believe that the Authority has had a positive effect on their consumer protection practices and financial management.
- 63% of regulated firms said that supervisory activities are effective or very effective, and a lot of positive feedback was received on this topic, but areas which some firms believe there could be improvement on include:
 - The amount of regulatory change and the level of support some firms receive in trying to comply with rules and regulations.
 - The level of understanding that some Authority staff have of the operating environment and the commercial interface of businesses, and therefore the practical implications of proposed solutions. This links to slightly less agreement with the statement "The recommendations and suggestions of the on-site visit report are useful and helps us to improve our business/AML/CFT controls."
 - Taking the views of firms into consideration before finalising reports, linking to slightly less agreement with the statement "The firm has an opportunity to express its views in relation to the findings of the on-site visit report prior to the finalisation of the report".
- When asked about risk areas for industry and the integrity of the Isle of Man it is clear that respondents are concerned that the Isle of Man is perceived to be a safe and robust place to do business, but not to the extent of over-regulation. One possible impact of negative perceptions that is already being raised by firms is a lack of banking services due to reduced risk appetite.

APPROACH OF THE AUTHORITY - CONCLUSIONS

Fitness and Propriety, Authorisation and Registration Processes:

- The Authority performs very well on the availability and accessibility of staff in relation to all of these processes, and in each case only a very small proportion of respondents said the processes are ineffective.
- A smaller proportion of designated firms and small firms said that fitness and propriety assessments are effective (compared to regulated and medium/large firms). Some firms suggested that the process should place more weight on experience and understanding and less on qualifications. Other comments indicate that the police check is a source of frustration, but this did not generally seem to impact ratings given for effectiveness. There were also suggestions that the process could move online.
- Fitness & Propriety and Registration processes perform similarly well in terms of guidance and ease. However the Authorisation process is rated less highly on these aspects. A clearer user guide on completing Authorisation processes may be well received.
- The time taken to process Authorisation and Fitness & Propriety applications could be improved.

Enforcement:

- The majority of firms reported that enforcement by the Authority has had a positive or very positive impact on their industry. 50-60% of all respondents rated clarity and transparency of the enforcement process, the extent to which the Authority focuses on the right issues, and the extent to which enforcement acts as an effective deterrent, as good or very good.
- The findings also indicate that small firms and designated businesses are slightly less likely to be satisfied with the enforcement process and its impact on their industry. Particularly the extent to which the Authority focuses on the right issues. Linked to this is a perception by some that enforcement can be inconsistent and disproportionate. Some small firms suggested that they find regulation hard to follow or have a fear of enforcement despite their best intentions to comply.
- All types of firms would find it helpful if the Authority provided more feedback and analysis of enforcement actions taken, for industry to learn from.

A close-up photograph of two business people shaking hands. The person on the left is wearing a light grey suit jacket over a pink shirt. The person on the right is wearing a dark blue suit jacket over a white shirt. The background is blurred, showing other people in a professional setting.

1.5 ENGAGEMENT WITH THE AUTHORITY

This section reports on overall satisfaction with the firms' engagement with the Authority, preferred methods of engagement, the Authority's staff, guidance provided by the Authority, consultation between the Authority and firms, events, publications, the website and statistical information available online.

SATISFACTION WITH ENGAGEMENT

completed by:

183

Total Firms

117

Regulated

66

Designated

102

Small

72

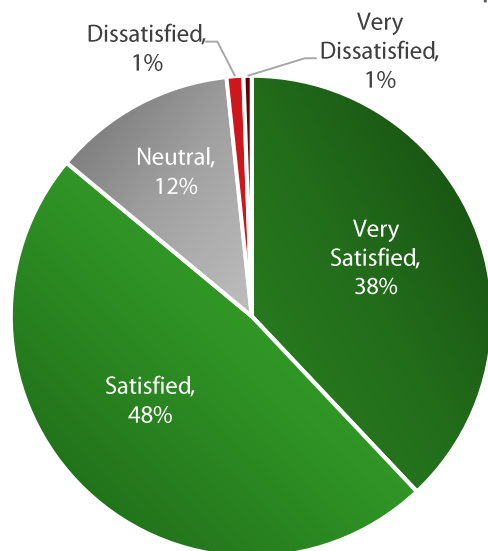
Medium/
Large

Firms were asked how satisfied they are with the overall relationship their firm has with the Authority. 100 regulated entities and 54 designated businesses responded and 86% of firms selected satisfied or very satisfied, and less than 3% are dissatisfied.

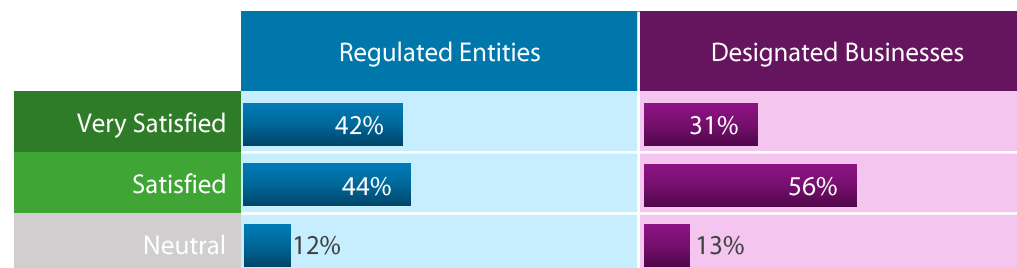
There are some differences in the degree of satisfaction by firm type and size:

- Regulated entities are more likely to be very satisfied than designated businesses (42% compared to 31%), though overall a similar percentage of firms are in the top 2 groups (86% compared to 87%)
- Small firms tend to be less satisfied than medium / large firms. (33% compared to 46%). 83% compared to 92% are in the top 2 groups, with more small firms selecting "neutral".

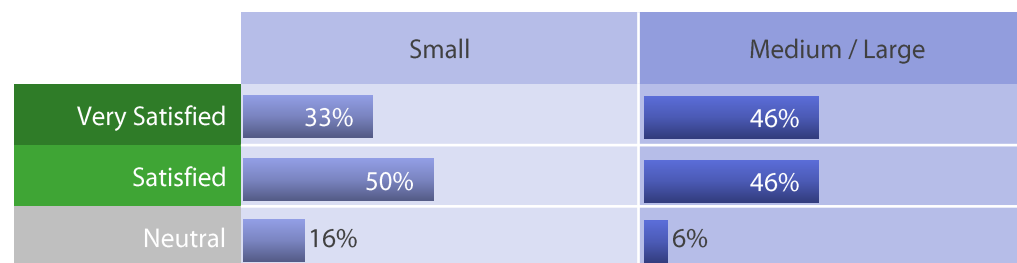
Satisfaction with Overall Relationship



% of firms that selected



% of firms that selected



SATISFACTION WITH ENGAGEMENT

70% or more of the total sample also agreed or strongly agreed with each statement about engagement and communication with the Authority. Only 6% or less disagreed or strongly disagreed with each statement.

The main differences between firm types are that designated businesses are slightly more likely to feel “neutral” than regulated entities in response to whether the Authority provides an opportunity to discuss issues of concern (22% vs 9%), and are less likely to agree or strongly agree that communications from the Authority are clear and unambiguous (65% vs 75%).

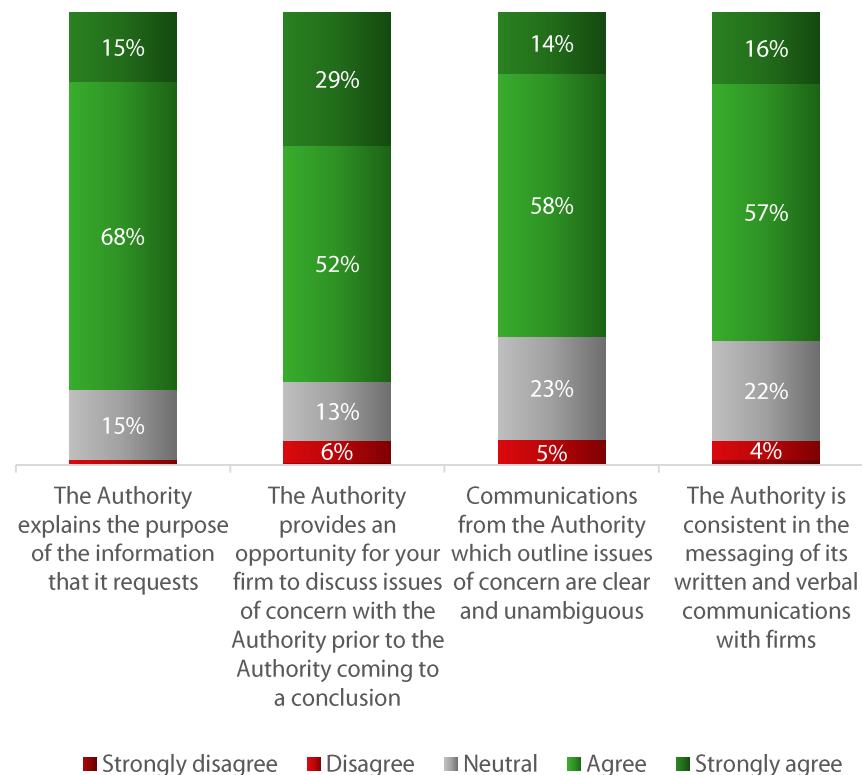
“The Authority provides an opportunity for your firm to discuss issues of concern with the Authority prior to the Authority coming to a conclusion” has also been analysed according to the size of the firm. 90% of medium/large firms agreed or strongly agreed, compared to 77% of small firms. Instead, small firms were more likely to select “neutral” (20% vs 3%).

This result along with their response to the question on the overall relationship with the Authority, suggests that smaller firms may not feel as engaged with the Authority as larger firms.

Comments about engagement and communication with the Authority suggest that firms value when the Authority is open, transparent and always willing to engage with them, as this feedback illustrates:

- “More positive engagement to assist businesses with the increasingly complex and labour intensive requirements would benefit all parties for the good of industry and the island as whole.”
- “Sometimes wonder why certain routine information requested is useful or interesting to the FSA.”

In relation to engagement, do you agree with the following statements:



METHODS OF ENGAGEMENT

completed by:

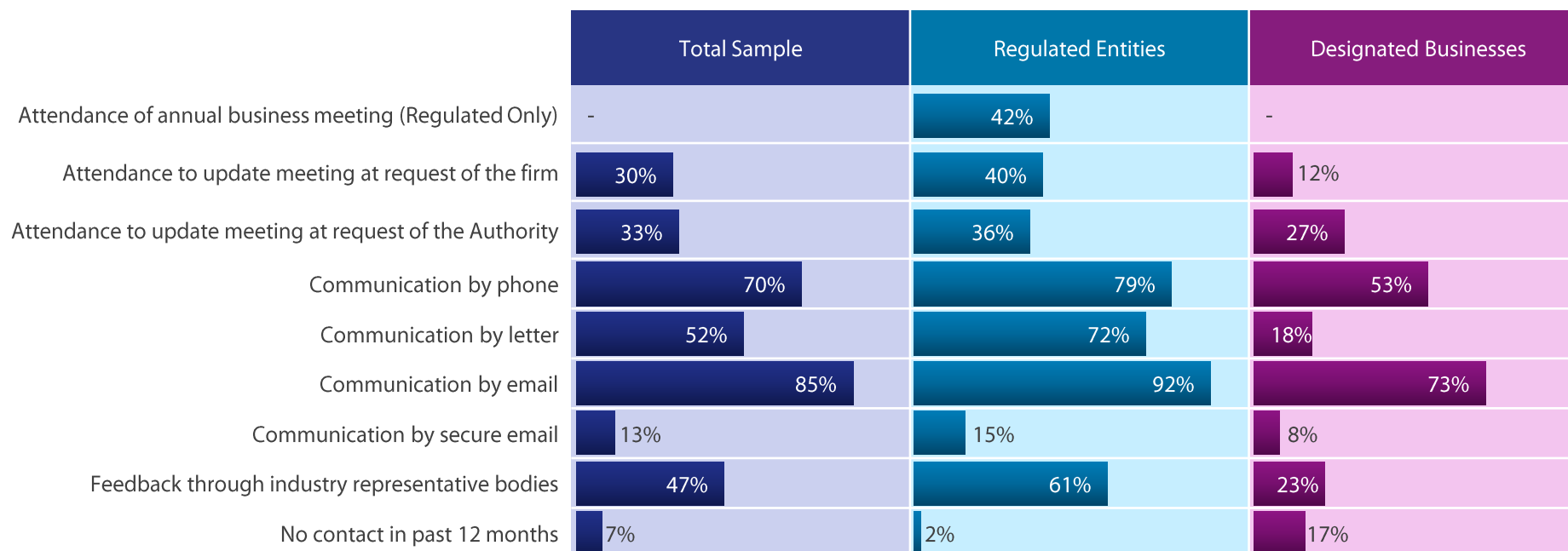
183
Total Firms

117
Regulated

66
Designated

In the past 12 months firms have communicated to the Authority using multiple methods. Email is the most common form of communication with the Authority, though the majority had also communicated by phone and by letter. Almost half of the firms had engaged using “Feedback through industry representative bodies”, though this was more common amongst regulated entities than designated businesses.

% of firms that had used...



METHODS OF ENGAGEMENT

completed by:



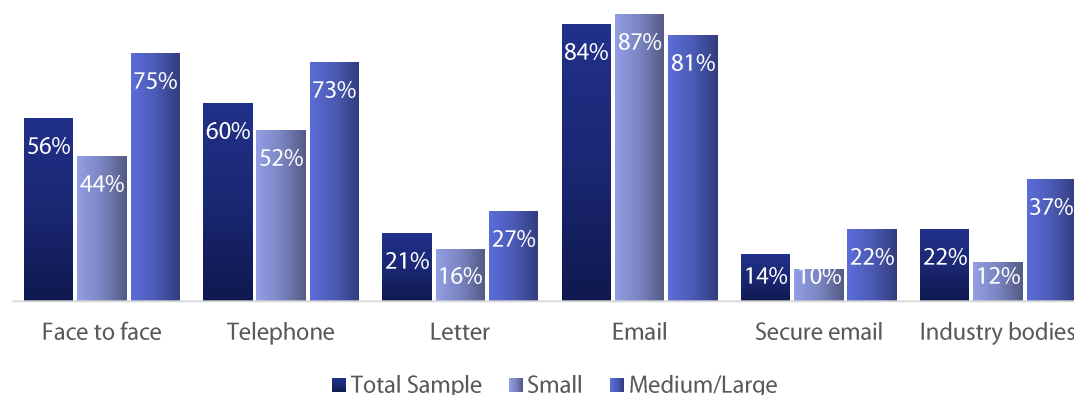
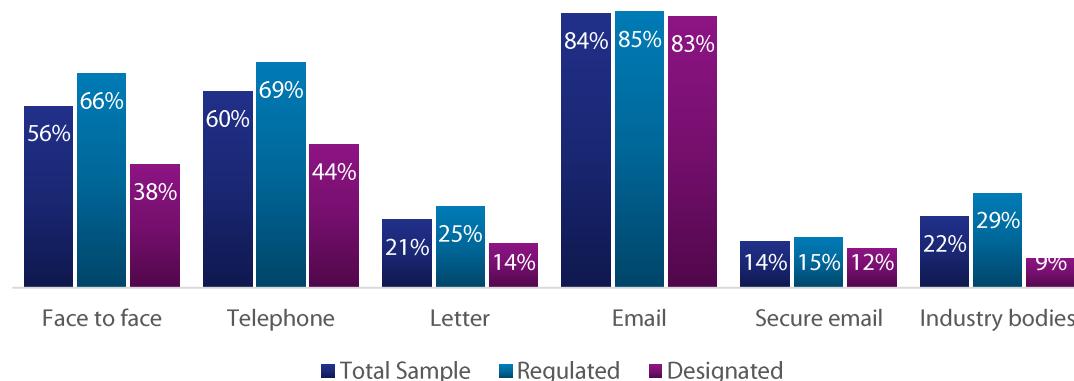
Email is the firms' preferred method of communication with the Authority. A few firms noted in the comments that face to face interaction was preferable for building a relationship.

The findings also suggest that there is less communication with designated businesses than regulated entities, and that those from designated firms are less likely to prefer any method of communication apart from email.

There are some differences in how firms prefer to communicate depending on their size, with medium/large firms selecting a greater range of communication methods than small firms.

Email is still the overall preference for both, but medium/large firms are far more likely than small firms to prefer face to face and communication through industry bodies.

Preferred methods of communications
(Select all that apply)



STAFF

completed by:

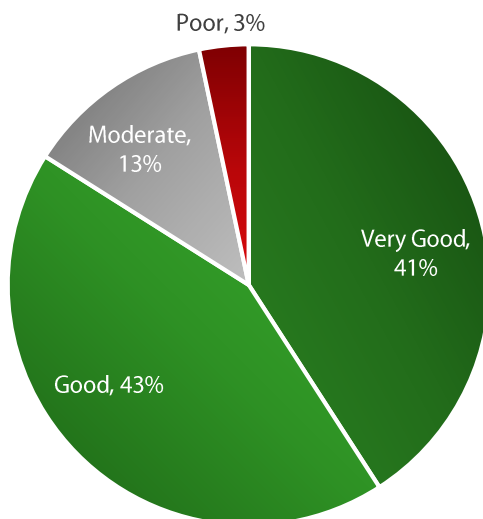
186

Total Firms

When asked how they would rate their overall experience with staff at the Authority, 84% said good or very good (98 regulated firms and 54 designated firms).

They were also asked if they agreed with a set of statements about staff who work for the Authority. All aspects received positive results, particularly regarding the integrity of staff which 90% of firms said they agreed/strongly agreed with.

Authority Staff: Rate Overall Experience



In relation to your experience with staff at the Authority, do you agree with the following statements:

The quality of work produced by the Authority is consistently high



Staff of the Authority seek to build trust, creating positive relationships with industry



Staff of the Authority demonstrate high standards of professional integrity.



Staff of the Authority have the appropriate technical knowledge and expertise



Other staff with which your firm interacts are experienced and knowledgeable



The team responsible for your firm is experienced in your industry (regulated) /AML/CFT (designated)



The team responsible for your firm has a good understanding of your firm



Strongly disagree Disagree Neutral Agree Strongly agree

STAFF

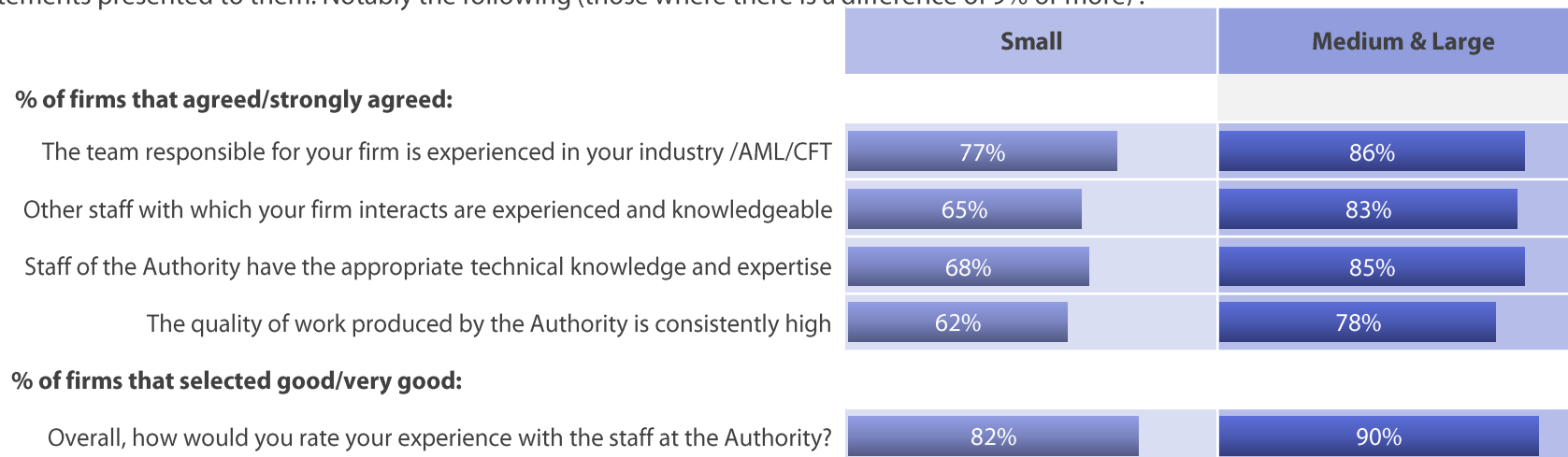
completed by:

103
Small

73
Medium/
Large

There were few differences by firm type in their feedback on staff, with the exception of the statement “the team responsible for your firm has a good understanding of your firm”. For this regulated entities were less likely to agree or strongly agree than designated businesses (79% for regulated entities compared to 61% for designated businesses).

There are some differences by firms size, however. Small firms were slightly less likely than medium/large firms to rate their overall experience with staff at the Authority as good or very good. They were also less likely than medium/large firms to agree or strongly agree with each of the statements presented to them. Notably the following (those where there is a difference of 9% or more) :



It should be considered whether staff are able to dedicate more time to working with the larger firms than the smaller firms, perhaps impacting the level of service which can be provided.

However, all results are still very high , including those for small firms (over 60% in all cases). So any improvement would be to ensure that staff provide all sizes of firms with the same extremely high standards of service.

STAFF - COMMENTS

Comments about the experience of the staff at the Authority were mainly positive, although there were some aspects where respondents felt there could be improvement and some felt their experiences were mixed or inconsistent depending with whom they were communicating.

Positive comments indicate that many of the firms feel that the staff at the Authority are helpful, professional, easily contactable, approachable, personable and for the most part take the time to understand the specific nature of the firms' business. Some specific staff members were named as being very helpful and having valuable input.

Firms tended to value staff members who were experienced in the industry, or with whom they had more of a long standing relationship. A couple of comments noted that their recent experiences have been an improvement on the past, and that they expect the relationship to continue improving with work on both sides.

Potential areas for improvement are:

- Ensure staff have exposure to business, and most helpfully, relevant real work experience of the industry they supervise. Where possible, up to date experience of the conditions that industry face would be helpful.
- On occasion staff could understand the business better, including:
 - How small businesses might differ and the practical impact of the solutions they request.
 - Acknowledge that each firm functions slightly differently and be less inclined to make assumptions about the situation of a particular firm.
 - Contributing to this are situations where the relationship manager changes frequently or where a new relationship manager could do more to introduce themselves to the firm.
- Staff could be more helpful and provide more guidance for small businesses, which might have fewer staff or less expertise on aspects such as AML. Related to this were requests to ensure the language used is more accessible with fewer technical terms used where possible.
- When a firm responds to a query raised by the Authority, the Authority could consider implementing a process for acknowledgement of the response and confirmation that there are no further queries or that the matter is resolved.

"Fortunately, through the work that we do, we have a good relationship with a lot of the staff that at the FSA. That doesn't mean that we don't often have to challenge the work product/decisions made. I think/hope that we have mutual respect for each other."

"Quality staff! However, many assumptions are made rather than looking at the unique situation of the particular firm..."

"The relationship manager has changed frequently. As such we feel that the authority does not understand the business nor does it look to work with the business. We are not sure if this is because is it a smaller business and the authority are not satisfied with the resources allocated to this business or whether the staff are not experienced enough." (Small Business)

"The majority of staff at the regulator do not appear to have spent any considerable time working at a senior level in industry prior to their appointment at the regulator... Those members of staff who are more senior have generally been with the regulator for many years and as such do not appear to carry the concerns of the industries it regulates or take account of the unique pressures which face them. It is difficult to build trust and have the type of open relationship required that would benefit both the regulator and the licence holders."

GUIDANCE

completed by:

183

Total Firms

All firms were asked to rate the guidance provided by the Authority.

Clear Explanation

69% rated “Providing a clear explanation of the Authority’s expectations” as good or very good.

A couple of small firms expressed frustration that the expectations on them are the same as for larger firms, and that they feel the rules and regulations are too complicated or the guidance is not user friendly enough for their size of business.

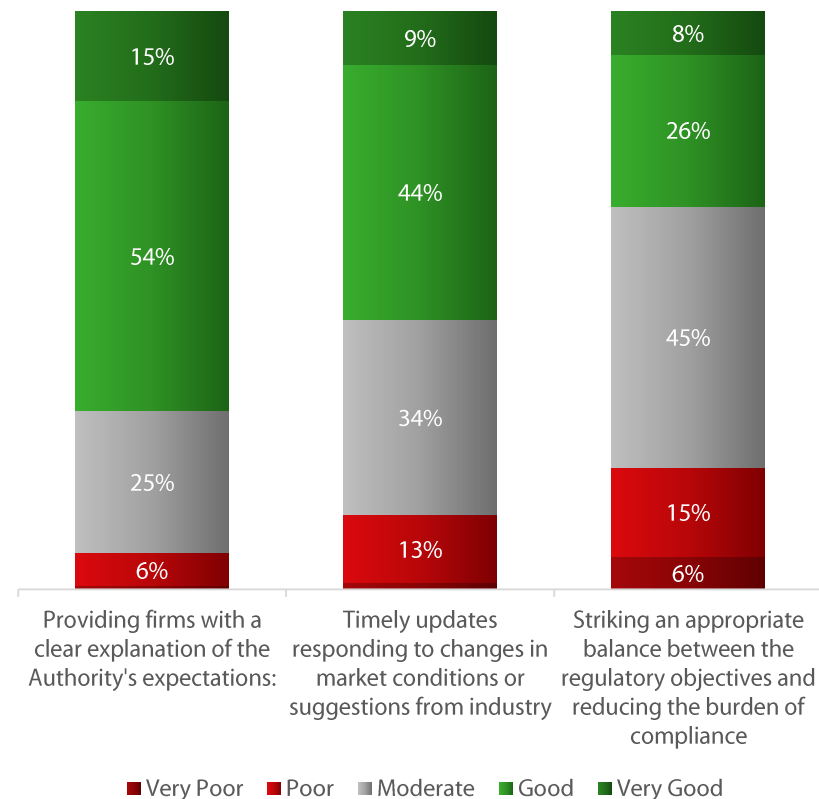
Other firms to comment on this aspect said that, on the one hand the guidance could cover more parts of the “rule book”, but on the other there is already a lot of guidance. One suggested that the regulator could save time “by providing industry with its own working papers from site-visits to show what areas licence holders should/could concentrate on”, and another noted that it is not always apparent that staff from the Authority take full account of all the guidance when they deal with the firm in question.

Timely Update

53% rated “Timely updates responding to changes in market conditions or suggestions from industry” as good or very good.

Firms which commented on this aspect noted that when new regulations and rules are introduced it is helpful to have guidance on them, but there are concerns that updates are often not timely (i.e. perceived delays in the regulator responding to market conditions or industry suggestions, which is perhaps not helped by frequently changing rules), and in some cases more guidance on new aspects is required. One firm noted that in their view “there are still outdated regulations and a lack of amalgamation regulations”.

Rate the Authority's Guidance



GUIDANCE (Continued)

completed by:

183

Total Firms

All firms were asked to rate the guidance provided by the Authority.

Balance

34% rated “Striking an appropriate balance between the regulatory objectives and reducing the burden of compliance” as good or very good. Almost half said this was moderate and 21% selected poor or very poor.

This is the area of guidance where most improvement is needed. Striking an appropriate balance and achieving proportionality was very important to the firms which commented, with several referring to the importance for their particular area of the industry.

A number of firms referred to the need for improvement and continued work in this area. Some said that in their experience there is “no balance”, while others acknowledged that this is an aspect which is “work in progress”. There were a couple of examples highlighting a positive working relationship between firms and the Authority on this topic. More specific comments of interest include:

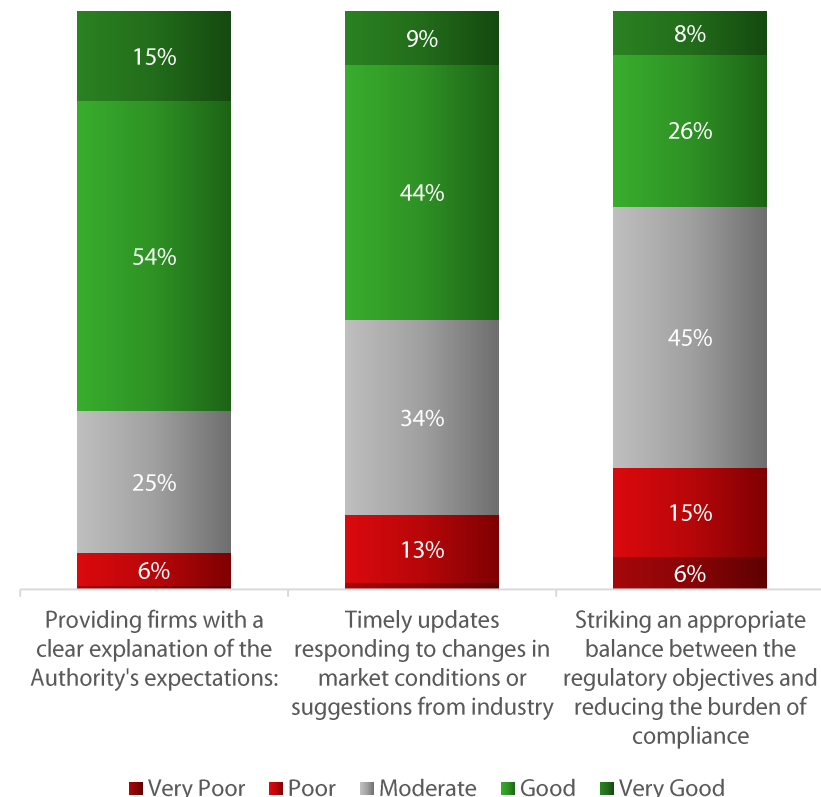
“Mixed opinion on this, the Client Assets Report is an example of complete overkill that doesn't take account of the size and risk profile of respective licence holders or the expertise of their auditors.”

“Principles based guidance effectively causes over regulation and disproportionality as regulated entities will 'over do it' to ensure compliance.”

“Moneyval highlighted issues with guidance. The FSA seems to react to issues by bringing in specific guidance where it would be better to deal with the individual firm concerned.”

“The corporate governance guidance is insufficient - it could be based on the UK Corporate Governance Code, which is a known standard that is regularly reviewed and updated. The FSA could then use its own guidance or practice notes to suggest how the UK Code can be applied to small/medium sized entities that are not listed eg the QCA provide such guidance. Guidance is now noticeably being issued and we expect more to the forthcoming.”

Rate the Authority's Guidance



GUIDANCE

Guidance is a key aspect to a number of firms completing the survey. It is apparent from the comments throughout the survey that it is important:

- The Authority ensures that it provides enough guidance and works constructively with industry rather than simply as an “enforcer”, and
- That this guidance is tailored where necessary, in order to help firms fully understand requirements. E.g. to the size and type of firm, and to the level of expertise of the firm contact.

With this in mind, this page presents the full results for these questions according to type of activity and size of firm.

The results are more similar than you might expect, especially for balance where there could be improvement for all firms. But there is some indication that small firms and designated businesses are less likely to rate explanations as good/very good, while regulated and medium/large firms are less satisfied with the timeliness of updates than other firms.

Timely Update

% of firms

	Total Firms	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
Very good	9%	8%	11%	12%	6%
Good	44%	42%	49%	44%	43%
Moderate	34%	34%	33%	30%	39%
Poor	12%	14%	7%	13%	10%
Very poor	1%	2%	0%	1%	2%

Clear explanation

% of firms

	Total Firms	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
Very good	15%	14%	18%	15%	14%
Good	54%	58%	46%	49%	61%
Moderate	25%	22%	29%	28%	21%
Poor	6%	5%	7%	8%	3%
Very poor	1%	1%	0%	0%	1%

Balance

% of firms

	Total Firms	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
Very good	8%	4%	13%	9%	6%
Good	26%	26%	26%	26%	27%
Moderate	45%	46%	45%	43%	48%
Poor	15%	17%	13%	15%	15%
Very poor	6%	7%	3%	7%	4%

completed by:

183

Total Firms

117

Regulated

66

Designated

102

Small

72

Medium/
Large

CONSULTATION

completed by:

91

Total Firms

Respondents were asked if they had participated in any of the Authority's consultation processes in the past 12 months. 91 firms, said they had - either directly or via an industry body. The majority of these were regulated entities. 34 were small firms and 55 were medium or large.

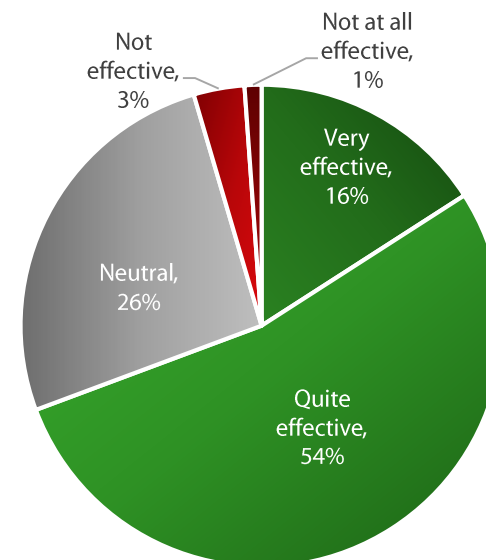
These groups were then asked how effective they found the consultation process overall. 79% said very or quite effective. Satisfaction does not appear to differ significantly depending on whether the firm participated directly or via an industry body.

Participated in a consultation process

Number of Firms:

	Total Sample	Regulated Entities	Designated Businesses	Small Firms	Medium/ Large Firms
Yes, directly	42	35	7	17	24
Yes, via an industry body	49	42	7	17	31

Effectiveness of Consultation



Comments on the consultation process suggest firms recognise there is currently a drive to consult with Industry and this is positive, but the number of consultations is a concern, particularly for small businesses. More could be done to reduce the burden of these consultations on firms, such as:

- Issuing consultations earlier,
- Giving firms more time to respond,
- Considering other deadlines which firms may be working to, including client deadlines and other consultations issued,
- Coordinate with other departments within the Authority to reduce overlap of content and coordinate timings of different consultations,
- Liaise more with industry bodies and specific institutions at the beginning of the process. This would be to ensure potential industry implications feed in prior to initial consultations with firms and save the time of individual firms.

There is also a small group of respondents who feel that the consultations can be biased towards a preferred outcome, that potential new regulations are not questioned enough by the Authority and that feedback from firms is not actually taken into account. For these respondents, the credibility of the process comes into doubt. A couple of instances where regulation was introduced without pre-consultation were also mentioned.

CONSULTATION

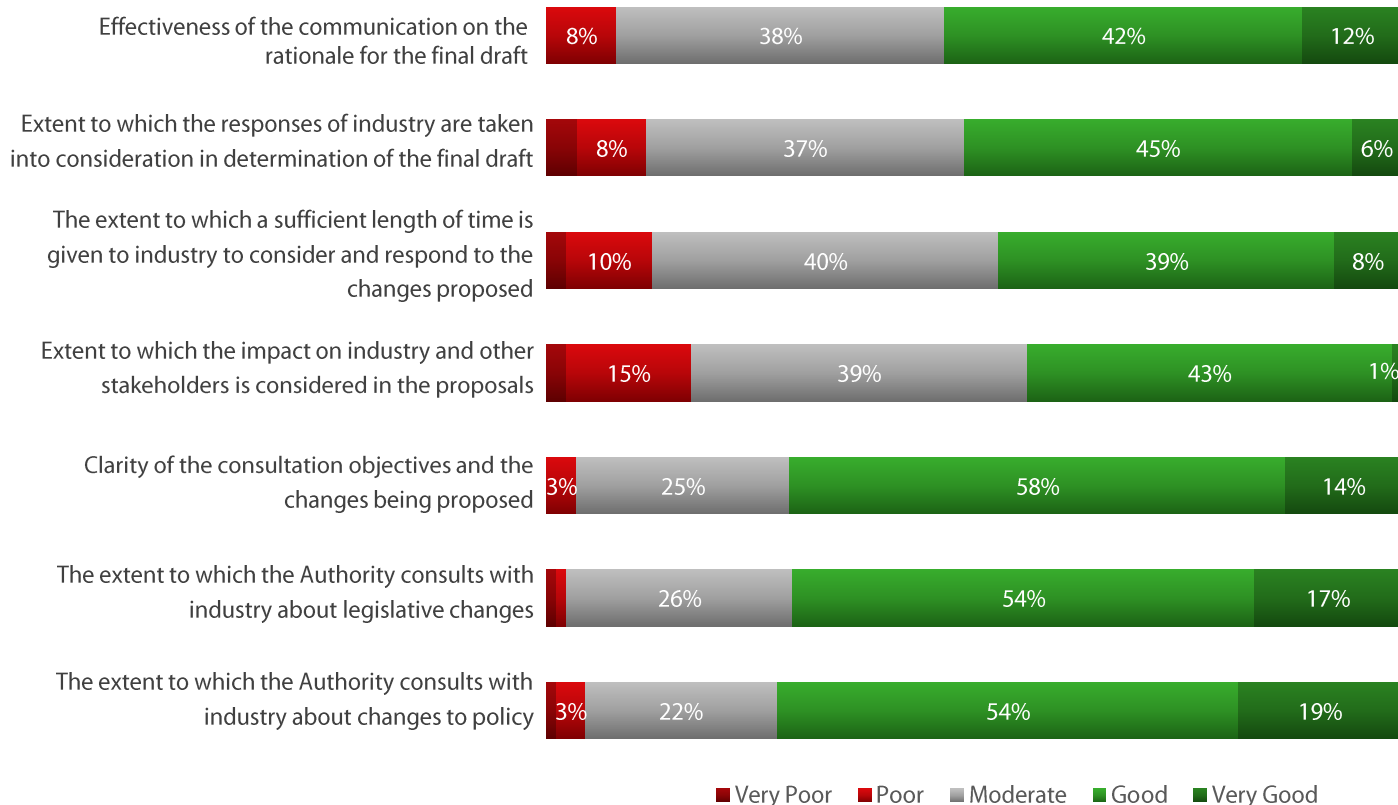
completed by:
91
Total Firms

Firms who had participated in a consultation were asked to rate aspects of the consultation process.

The extent to which the Authority consults with industry and the clarity of the consultation objectives were rated as good or very good by over 70% of responding firms.

The other aspects were rated as good or very good by 44-54% of those who answered. The extent which the impact on stakeholders is considered in proposals has the most scope for improvement.

Further analysis suggests that those who participated directly were less likely to rate the two aspects about the final draft as good or very good, when compared with those who participated through an industry body, however sample size for both is small.



Number of firms:

	Participated through:	
	Directly (out of 41)	Industry Body (out of 45)
Effectiveness of the communication on the rationale for the final draft	Very Good / Good 17	29
Extent to which the responses of industry are taken into consideration in determination of the final draft	Very Good / Good 17	27

EVENTS

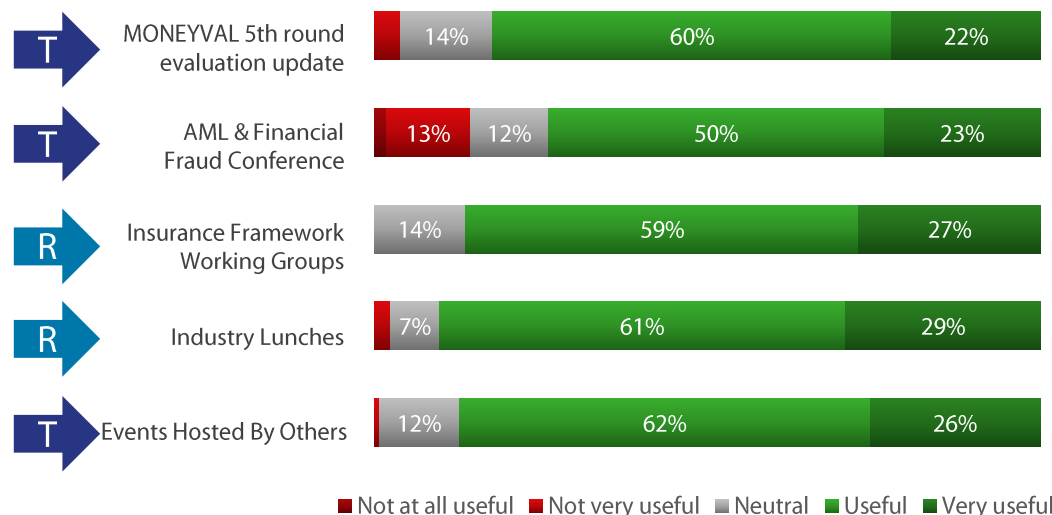
Respondents were asked how useful they found the events which they have attended in the past 12 months. All firms were asked about the MONEYVAL 5th round evaluation update, Anti-Money Laundering & Financial Fraud Conference and relevant events hosted by others. Regulated entities only were also asked about Updating the Insurance Framework project working groups and relevant industry lunches.

Those from regulated entities are more likely than those from designated businesses to have attended events and have a view on how useful they are. For example, 79% of regulated firms in the sample attended the update regarding MONEYVAL, whereas 54% of designated firms in the sample attended. Overall 70% of the total sample attended this event.

However, of those who did attend and have a view, there is very little difference between the two types of firms as to how useful they found an event, so the chart showing usefulness of events attended presents the total sample together (or regulated entities only as applicable).



Usefulness of Events Attended



% of firms who had attended & had a view on usefulness of event...

	Total Sample	Regulated Entities	Designated Businesses
Update to Industry regarding MONEYVAL 5th round evaluation	70%	79%	54%
Anti-Money Laundering & Financial Fraud Conference	60%	70%	42%
Updating the Insurance Framework project working groups (regulated)	-	18%	-
Industry Lunches with representatives from industry groups and the Authority Board (regulated)	-	34%	-
Events hosted by others to which the Authority contributed / presented	72%	82%	54%

PUBLICATIONS

completed by:

183

Total Firms

117

Regulated

66

Designated

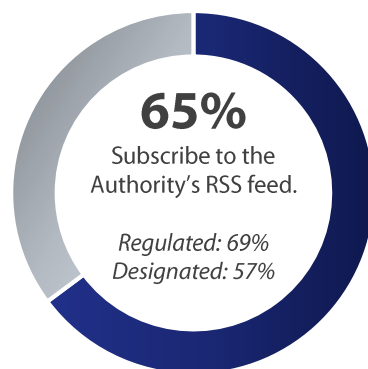
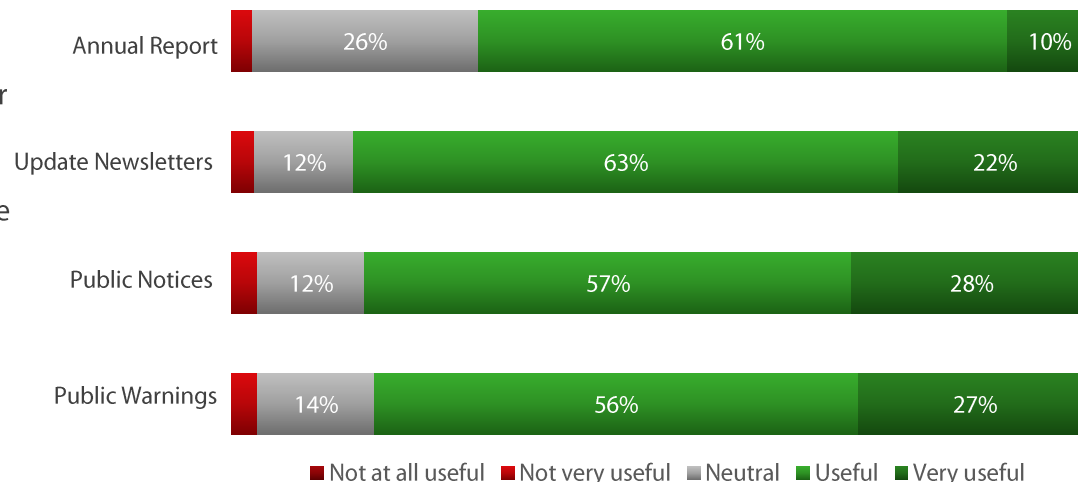
When all respondents were asked how useful they found the publications which they had used in the past 12 months, 71% said they had found the annual report useful/very useful and around 85% said they'd found each of the other publications useful/very useful.

Those from designated businesses were 8-10% less likely than those from regulated entities to find the annual report, update newsletters or public notices useful/very useful. Views on public warnings were very similar between the two groups.

A large proportion of responding firms had read and had a view on the usefulness of each publication asked about, although as with the events, regulated entities were more likely to have read a publication than designated businesses.

Overall 65% of firms subscribe to the Authority's RSS feed. In the in-depth interviews we were told of technical problems that may related to compatibility with Office 365, Edge or the firm's security settings. Others said they did not subscribe and instead prefer emails direct to them or that they monitor the website.

Usefulness of Publications Read



% of firms that had read & had a view on usefulness of publication...

	Total Sample	Regulated Entities	Designated Businesses
Annual Report	66%	76%	48%
Update Newsletters	79%	87%	66%
Public Notices	87%	92%	78%
Public Warnings	87%	92%	78%

EVENTS & PUBLICATIONS

completed by:

103
Small

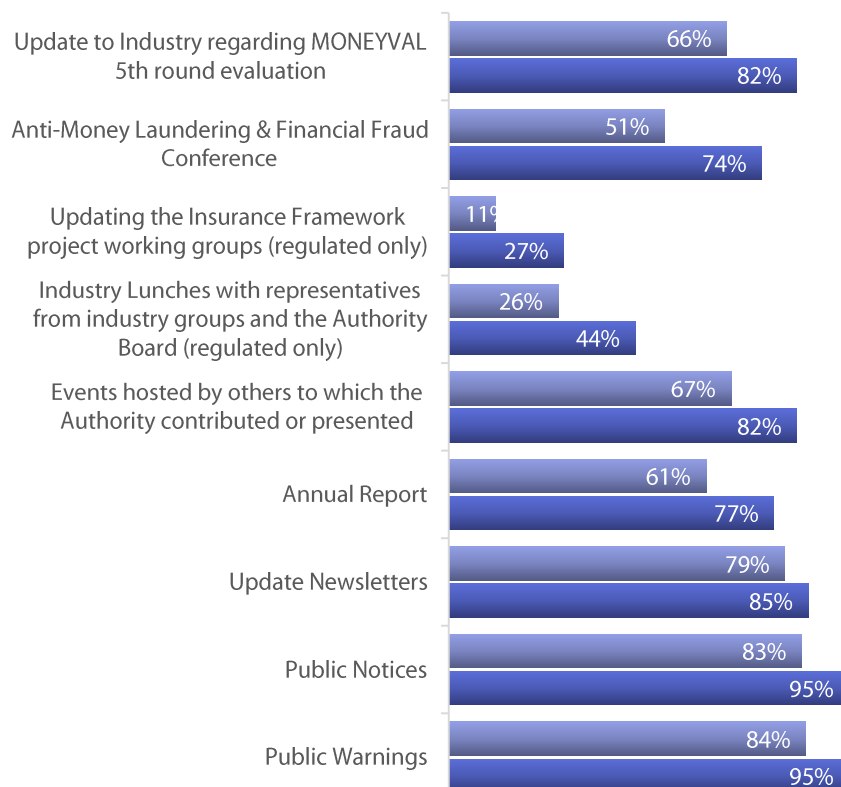
73
Medium/
Large

Size of firm also has an impact on this aspect of engagement. For example, 61% of small firms had read and had a view on the annual report compared to 77% of medium/large firms. And of those, 60% of small firms said it was useful/very useful compared to 86% of medium/large firms.

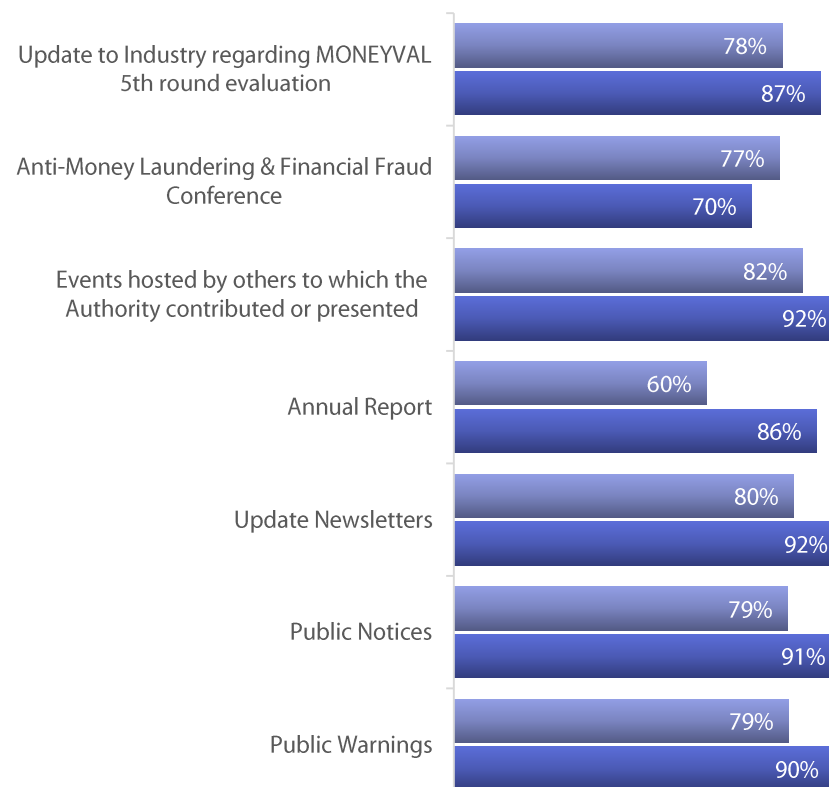
Those from smaller firms were consistently less likely than those from medium/large firms to say they:

- Had attended or read (and had a view on) each of the events and publications asked about.
- Found the events and publications asked about useful or very useful. (Apart from the Insurance Framework Working Groups and Industry lunches for regulated entities.)

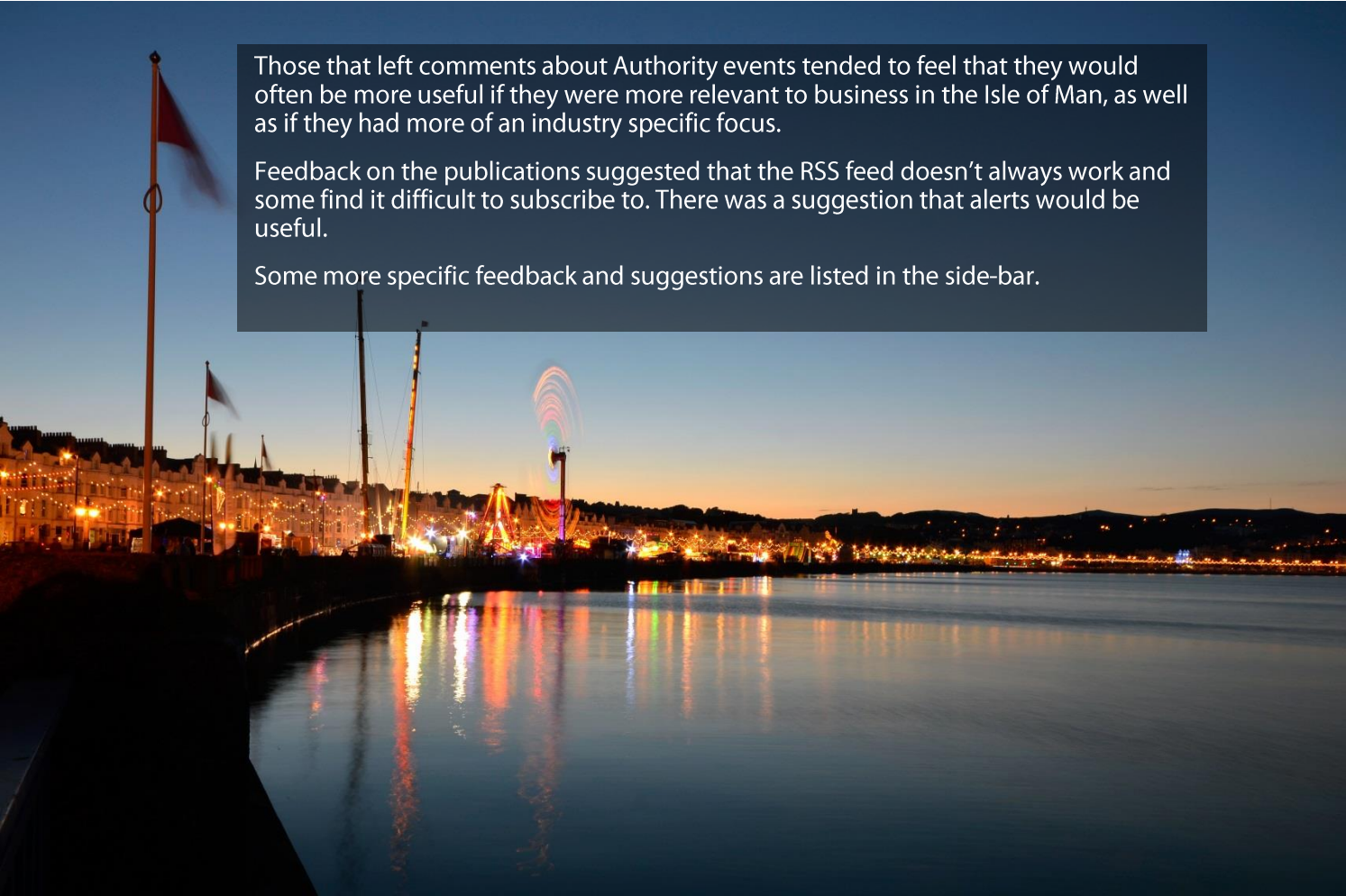
% attended/read and had a view on:



% which said the following were "Useful" or "Very Useful":



EVENTS & PUBLICATIONS - COMMENTS



Those that left comments about Authority events tended to feel that they would often be more useful if they were more relevant to business in the Isle of Man, as well as if they had more of an industry specific focus.

Feedback on the publications suggested that the RSS feed doesn't always work and some find it difficult to subscribe to. There was a suggestion that alerts would be useful.

Some more specific feedback and suggestions are listed in the side-bar.

"The Roadmap (and updates) are useful as they show the direction of travel and ultimate objectives."

"Would like to see feedback/keep industry updated when changes take place that affect licence holders i.e. legislative timetables (Bills as an example)."

The Annual report is long. The content of the newsletter could be improved.

Please could the Authority circulate by email how to sign up to receive these publications and newsletters.

"We find both the 1/4 meetings between IOMCA and IOMFSA very useful as well as the annual working lunch meeting between the IOMCA Ex Committee and members of the IOMFSA board."

"The AML /Fraud conference in November 2017 was very disappointing ... The FBI discussion was not relevant enough and the remaining speakers whilst interesting didn't relate to the IOM."

"The best event I went to was a number of years ago where there were break out groups with the relevant areas of the Authority with an open forum for questions."

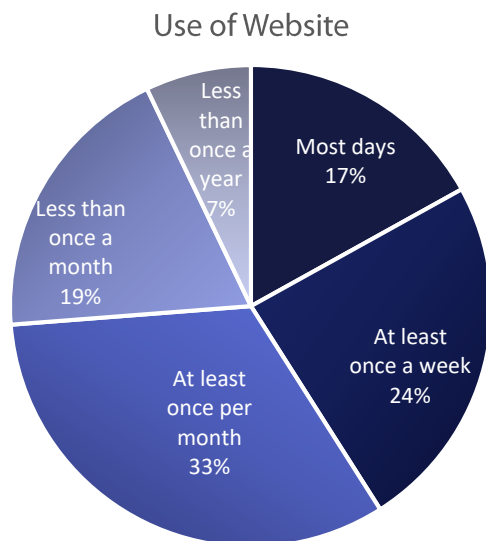
"Smaller gatherings with an industry specific focus have worked better for us"

WEBSITE

All respondents were asked about the website. 41% of firms said that they look at the Authority's website at least once a week or more.

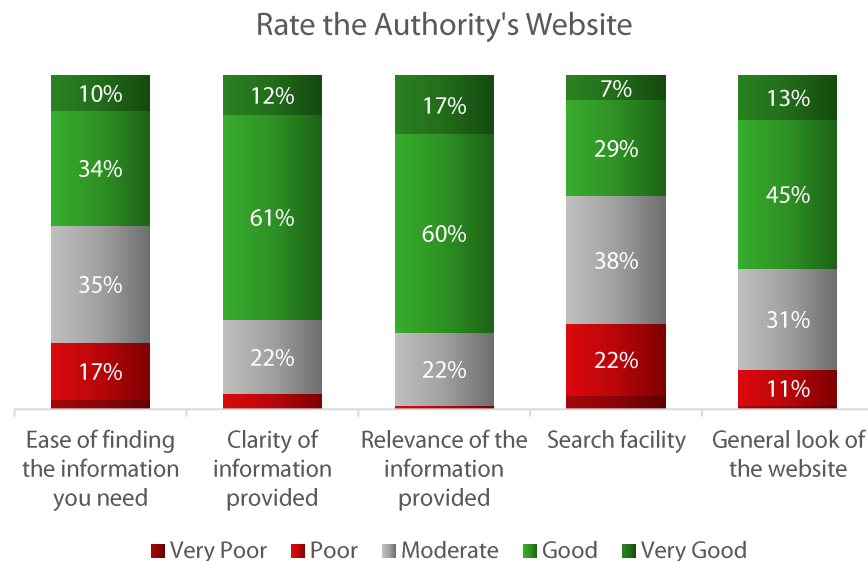
Regulated entities were more likely than designated bodies to have staff who look at the website most days (23% vs 6%) or at least once a week (32% vs 11%). Medium/large firms were also more likely than small firms to look at the website most days (30% vs 9%) or at least once a week (36% vs 17%).

Those from designated bodies tended to look less frequently, including 14% of firms which reported that their staff look less than once a year (compared to 3% of those from regulated firms). The same is true for small firms, with 10% who said they look less than once a year, compared to 3% of respondents from medium/large firms.



When rating various aspects of the Authority's website, the search facility performed most poorly, followed by the ease of finding information. 39% of small firms said the ease of finding information was good or very good compared to 52% of medium/large firms. The general look of the website divided opinion, with just over half of all responding firms saying it is good/very good.

The clarity and relevance of information provided was rated as good/very good by over 70% of respondents. Although, notably, those from designated firms* were 15-20% less likely than those from regulated firms to say good/very-good and slightly more likely to say moderate or poor on these points. Similarly, 14% fewer small firms rated the relevance of the information as good or very good when compared with medium/large firms*. Instead, 12% more rated it as moderate and 2% more rated it as poor/very poor.



STATISTICAL INFORMATION

*Small sample sizes

45 firms (34 regulated and 11 designated)* said that they had accessed the statistical information available on the Authority's website.

Those that had used it rated:

- The ease of finding the information needed,
- The frequency with which the information is updated, and
- For the specific topics used, how relevant the available information is.

68% said the frequency with which it is updated is good/very good and 60% said the ease of finding the information is good.

The relevance of the information was rated good by the majority of those who had used it (excluding don't know), however the sample sizes for each group of information was less than 40 and in most cases a large proportion of firms selected "don't know".

Rate the Statistical Information

Frequency with which statistical information is updated



Ease of finding the information you need



■ Very Poor ■ Poor ■ Moderate ■ Good ■ Very Good

Relevance of the statistical information on...
Number of Firms:

	Pensions	Insurance	Banking	CIS	TSP
TOTAL USED*	30	29	36	33	33
Very Good	0	0	2	0	2
Good	8	6	14	10	15
Moderate	4	5	6	5	9
Poor	1	0	1	1	0
Very Poor	0	0	0	0	0
Don't Know	17	18	13	17	7

WEBSITE & STATISTICAL INFORMATION

- COMMENTS

Comments about the Authority's website centred on making it easier to find the information they are looking for. A frequent user said they personally had no issues, but recognised that for infrequent users it would be hard to navigate.

The need to improve the search facility was mentioned. It is said to bring up too many irrelevant hits which users then need to search through to try and find what they want.

Finding the rule book, particularly the whole document rather than sector specific section, was thought to be very difficult by several respondents. A link to the Financial Services Rule Book on the Home Page was suggested.

One respondent noted that since an update some old links no longer work, or links go to old rather than the latest legislation.

Making industry sections clearer *e.g. no 'insurance tab' similar to 'Funds/Pensions'*, and the consolidation of topics was also requested by a couple of users. *E.g. move cross-industry topics into one area, use pop up boxes rather than hyperlinks to other pages.*

Commenters did acknowledge, however, that the website was an improvement on the previous version.

There were very few comments on the statistical information available on the website. Several of these were to say that they had not been aware that statistical information was available to them. Better signposting this function on the website would be helpful.

Other comments that may be of interest are as follows:

"There is limited information available on the life industry"

"None available for General Insurance Intermediaries except number of firms registered"

"The CSP/TSP statistics date to 2016. We would appreciate statistics on income by sector, employee numbers, earnings per entity, earnings per full time employee, how much each sector contributes to the UK, and explanations for changes in numbers or anomalies."

ENGAGEMENT WITH THE AUTHORITY

-CONCLUSIONS

Generally the Authority has performed highly throughout this section on engagement, but there are some learning points to consider:

- Improve the timeliness of guidance provided in response to changes in market conditions or suggestions from industry, and continue to work to achieve an appropriate balance between the regulatory objectives and burden of compliance. This is an area of key concern for some firms.
- Guidance and communications perceived to be more “user-friendly” and with less “jargon” may help to improve compliance, and for some small firms help to reduce the fear of enforcement. More positive engagement with industry to assist them in meeting requirements would be helpful for some firms, particularly when it is felt that requirements are frequently changing and increasingly complex.
- Consultation with industry is considered a positive action, but there is currently a sense of “consultation fatigue”, as one respondent put it. It is recommended that you look to reduce the burden of consultation, particularly on small and medium sized firms.
- Consider if there is more that could be done to help small firms to engage with the Authority. For example:
 - Enable staff to give small firms the same level of service as larger firms and make them feel valued. This includes tailoring communications and guidance as far as possible, taking into account the level of expertise the firm’s contact has in the area being discussed.
 - Ensure that there is relevant information available for small firms on the Authority’s website and in publications distributed.
 - Consider whether there are ways of making events easier to attend for small firms, who perhaps have more staffing or budgetary pressures. In conjunction, this would also mean ensuring that the content of these events is relevant to their needs as well as the needs of medium and large firms. Also ensure that small firms unable to attend events of interest are given alternative opportunities to engage meaningfully with the Authority.
- Designated businesses may be less likely to think that staff at the Authority understand their firm, or feel engaged enough to have a view on whether the Authority provides an opportunity to discuss issues of concern. Therefore, there may be more work that could be done to build more productive relationships with some designated firms.
- That being said, all types of firms indicated in the comments that they would prefer Authority staff to have more exposure to business and a better understanding of current operating conditions. Staff at the Authority who are perceived to have (recent) real work experience before being at the regulator are valued. Having a longstanding relationship with a particular staff member is also valued.
- Events could be improved by being more industry focused and relevant to the specific conditions of the Isle of Man.
- The website could be improved by making it easier to search for and find the information firms need. Difficulty in finding the Financial Services Rule Book was highlighted in the comments.
- Email is the most preferred method of communication with the Authority, particularly among designated businesses and small firms. Face to face is still considered by some to be the most productive way of building a positive relationship.

1.6 GENERAL COMMENTS AND SURVEY CONCLUSIONS



OVERALL COMMENTS ABOUT THE AUTHORITY

All firms were asked if they had any comments regarding the overall effectiveness of the Authority, and then at the end of the survey whether they had any final comments about the Authority. Together the responses reinforce many of the findings so far.

There is a lot of positive feedback about the working relationship the firms have with the Authority.

The comments also included suggestions and learning points relating to three areas:

- Regulatory guidance and information provided, including informal advice.
- Maintaining and developing an appropriate and proportionate regulatory regime.
- Taking appropriate, timely and proportionate action.

Good Working Relationship:

The relationships between firms and the Authority get praise from a number of respondents, particularly in the final comments. There is the sense that a good number of firms are likely to feel that they have a productive working relationship with the Authority. The Authority is described in terms such as “approachable” and “helpful”. There were a few comments saying that they feel the Authority is effective and that it compares well to other jurisdictions, as well as several respondents who are understanding of the difficulties that the Authority face in effectively fulfilling their role.

OVERALL COMMENTS ABOUT THE AUTHORITY

Regulatory guidance and information provided, including informal advice:

Firms may appreciate a more collaborative, practical approach to helping firms to meet regulations. Advice and guidance that relates more specifically to a firms' situation would also be well received, as well as making general communications more industry relevant if possible. To assist this, some firms recommend that staff at the Authority have a greater understanding of industry areas and associated risks, as well as relevant technical expertise. Feedback about the time it takes for Authority staff to respond or act is mixed in the comments, with some suggestion that there are occasions when this could improve and a query as to whether resourcing is currently an issue.

- Smaller firms feel it is harder for them to understand and meet requirements than for larger firms. Comments were received from small (and some medium) firms that the Authority isn't always as helpful or supportive as it could be, with some communication issues when firms need responses or guidance on issues from the Authority. Suggestions received include a working group specifically for TCSP's who don't have large compliance teams, and that the Authority could assist by providing "small business related information".
- Some larger firms also believe that the Authority could improve the advice they give with regards to regulatory fulfilment. Comments from medium and larger firms cited cases of when communication with staff at the Authority has not been as speedy as previously, said that informal guidance is now less available, and suggested that the Authority could be more proactive by taking a lead on things like new regulation and consulting on issues quicker.

Maintaining and developing an appropriate and proportionate regulatory regime:

Comments about the effectiveness of the Authority include that there are over engineered regulatory processes, a focus on "minor issues", micro-management from the Authority and that the current regulations holds a firm back compared to the competition. This could include reviewing professional qualification requirements for Directors.

Final comments about the Authority demonstrate that the application of proportionality is a key issue for some firms. A balanced approach is requested, as the importance of regulation in deterring deliberate and active breaches is recognised, but industries also have concerns about the potential impact of regulations on competitiveness and industry growth.

Some smaller firms were keen to highlight concerns as to the proportionality of the Authority's requirements for firms of their size, and the burden this places on running their business.

Taking appropriate, timely and proportionate action:

Some comments highlighted that there are (perhaps perceived) inconsistencies in how different firms with the same permission, or how firms of different sizes, are treated. Including the extent to which regulation is enforced. There are examples given where adequate reprimands have not (or are perceived not to have) been given, as well as comments that the Authority can be slow to react to inappropriate behaviour.

A suggestion of a confidential whistle-blower route to the Authority by email or phone is given.

OVERALL CONCLUSIONS

Overall the findings are very positive and demonstrate that the Authority has a good working relationship with the majority of firms.

Developing a proportionate regulatory regime that all businesses understand and can act to comply with is a key action for the Authority, as is protecting consumers and promoting the international reputation of the Isle of Man. The feedback for improvement received throughout this survey could help to achieve these aims.

REGULATION AND REPUTATION

- Proportionate regulation & equitable enforcement of rules is very important. Over-regulation and frequently changing rules are a concern.
- At the same time, firms believe it is imperative that the Authority continue to review regulations so that they meet international standards, enabling them to promote and maintain the reputation of the Isle of Man as a finance centre.

SUPPORT FIRMS TO MEET REQUIREMENTS

- Overall, staff at the Authority perform highly and are generally considered helpful and accessible. Staff with a technical understanding, as well as 'real-work experience' who are empathetic to current operating conditions, are valued by firms.
- More support for firms in understanding and meeting requirements would be welcomed. There is clearly a good relationship with many firms, but there are still a small number who believe the approach could be more collaborative and practical.
- This includes making guidance clearer and using less complex terminology where possible. This could be particularly helpful for smaller firms where staff may have a range of responsibilities, and less specialist knowledge or expertise.
- Make it easier to find information on the website and make the content of any advice or guidance more user friendly.
- Improve the timeliness of guidance in response to changes in market conditions or suggestions from industry, and of reporting following some processes.

ENGAGEMENT WITH INDUSTRY

- While engagement with industry, including consultation, is considered positive, there are ways that firms believe it could be improved going forward.
- It may be advisable to look to reduce the burden of consultation on firms, particularly those that are smaller.
- Additionally some firms feel that their views are not taken into account and that consultation can be biased towards the views of the Authority. It is possible that more work needs to be done to ensure more firms feel that their views are valued. This is also reflected in that a number of firms indicated that they do not believe their views are taken into consideration before finalisation of supervisory reports.

A man in a dark blue suit and red tie is seated at a desk, gesturing with his right hand while looking towards a laptop. His left hand rests on the desk near some papers. The background is a plain, light-colored wall.

PHASE 2: IN-DEPTH INTERVIEWS

- 2.1 Qualitative Methodology
- 2.2 Perceptions in a Changing Environment
- 2.3 The Authority's Approach: The Question of Proportionality
- 2.4 Firms' Relationship with the Authority
- 2.5 Developing Effective Guidance
- 2.6 Optimising the Consultation Process

2.1 QUALITATIVE METHODOLOGY

APPROACH

In-depth interviews were undertaken with senior representatives from a sample of regulated firms and designated businesses in May and June 2018. The aim was to understand some topics from the survey in more depth, take a closer look at how Authority is viewed by industry, and better understand some of the negative responses to survey questions.

A topic guide was used to facilitate a semi-structured discussion that focused on the following areas:

- **Role and Effectiveness of the Authority:** including the impact on firms, and how effective it is perceived to be.
- **A Risk-based Approach to Supervision and Oversight:** focusing on firms' experience and preferences.
- **Developing Effective Guidance:** exploring whether the guidance provided on a range of regulatory areas meets the firms' needs, including what works well and what could be improved.
- **Optimising the Consultation Process:** considering the Authority's consultation process from the firms' perspective and focusing on how the consultation process could be improved going forward.

Conversations tended to be free-flowing and respondents were frank and open when sharing their views. A wide range of views were expressed, which we have sought to make sense of with regard to the respondents' own experiences, firms characteristics and contextual factors.

Overall, the views expressed in this phase of the research tended to be less positive than the survey results. This reflects the sample of firms selected (which over-sampled firms who had expressed negative views), but also a tendency for respondents to go beyond their recent direct experience of the Authority and reflect on their past experience, and a willingness to share impressions and perceptions that have been shaped by a wide range of sources.

SAMPLE

32 individuals working at 23 firms participated in the interviews. 19 were regulated entities and 4 were designated businesses.

The firms selected for interview were chosen from firms who had indicated a willingness to be interviewed when completing the survey. Firms were selected to be wide-ranging in terms of sector and size.

A specific aim of this phase was to better understand the negative views. Firms who had expressed negative opinions in the survey were a minority, but we sought to ensure the sample of firms for the in-depth interviews included those who had given negative feedback as well as firms who had expressed positive views.

The sample included firms with permission to undertake different types of regulated activity. Some firms were permitted to undertake more than one type of regulated activity and at times compared and contrasted their relationship with different parts of the Authority.

11 firms considered themselves small, 6 were medium and 6 were large.

All of the individuals had senior positions. Some were the Managing Director or Chief Executive Officer, while others were primarily responsible for compliance. In some firms we spoke to multiple individuals, which allowed us to understand topics from both a commercial and compliance perspective.

2.2 PERCEPTIONS IN A CHANGING ENVIRONMENT

In sharing their views about the Authority, its role and its effectiveness, respondents emphasised the role of the Authority in “maintaining confidence in the Isle of Man’s financial services industry”. They also often talked more generally about the context in which they operate and how the environment is changing, and how this was having an impact on their business.

In drawing together themes from across the in-depth interviews we have identified changes at three levels:

- Changes in the environment for off-shore finance;
- Changes within the Isle of Man; and
- Changes to regulatory requirements.

These collectively impact on the competitiveness of the finance industry.

The figure below depicts some of the key issues at each level, and notes that the impact on an individual firm may depend on a range of factors, including the nature of the business, client base or risk appetite.

Changing environment for off-shore finance	Changes in the Isle of Man and response to global pressures	Evolving and increasing regulatory requirements	Impacts on competitiveness of the finance industry
<ul style="list-style-type: none">• Increased scrutiny on off-shore finance• Growing demand for disclosure and transparency (e.g. EU substance, and beneficial ownership)• New international standards and norms (e.g. AML/CFT)	<ul style="list-style-type: none">• Complying with demand for disclosure and transparency• Political aspirations for “gold-plated” regulation• MONEYVAL assessment• High-profile cases• Single regulatory body following FSC-IPA merger	<ul style="list-style-type: none">• Strengthens international reputation• Additional regulatory burden• Uncertainty relating to new requirements	<ul style="list-style-type: none">• Differential impact on firms depending on nature of business, client base and risk appetite

LOCAL RESPONSE TO GLOBAL CHANGES

CHANGING ENVIRONMENT FOR GLOBAL FINANCE, AND OFF-SHORE JURISDICTIONS

In reflecting on the role of the Authority, many of the people we spoke to talked about the changes in the global environment that the Isle of Man needed to respond to. They explained:

- Firms are operating in a global environment in which off-shore finance is under increased scrutiny.
- There are new international standards and norms, such as Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).
- There is also a growing demand for disclosure and transparency, as exemplified by the introduction of substance requirements and legislation on beneficial ownership.

Some individuals also talked about emerging issues, such as cyber crime, and new innovations such as cryptocurrencies and initial coin offerings.

THE ISLE OF MAN'S RESPONSE TO GLOBAL PRESSURES

Respondents said that maintaining confidence in the Isle of Man's finance industry is critical, and reflected on how the island positions itself relative to competitor jurisdictions, such as Jersey and Guernsey.

- It was recognised that the Authority is only one of several institutions working to this aim. Respondents referred to politicians and the Isle of Man Government setting the agenda, and other actors, such as the Financial Intelligence Unit, having a role to play in enforcement of financial crime.

Most firms explained that the Isle of Man has sought to maintain its reputation by establishing high standards of regulation and accepted that the additional regulation was necessary.

- Some welcomed the changes noting that it made them better able to compete in new markets.
- However, there were others who talked about 'gold-plated regulation', and suggested the regulations were too stringent. These individuals spoke of the commercial pressures facing their firm or a specific sector, and were concerned that the regulatory burden would undermine the island's competitiveness relative to competitor jurisdictions.

OTHER CHANGES IN THE ISLE OF MAN

THE MONEYVAL ASSESSMENT

MONEYVAL was a dominant theme in the conversations and their assessment has unquestionably had a major impact on how the Authority is viewed.

Historically there were relatively few high profile cases evidencing financial crime or a lack of compliance. Although respondents noted that there was unlikely to be significant criminal activity in the Isle of Man, the conclusions of the MONEYVAL assessment have led to questions about the effectiveness of the Authority.

- A few people suggested that the regulator had been ineffective or slow to act, with some respondents speculating whether there were cases of “closing the stable door after the horse had bolted”.
- Others were more emphatic, suggesting there were few cases either because there was nothing to find or the Authority was ‘doing its job’. There were also those who acknowledged limits to what the regulator can realistically do to prevent financial crime.
- The remainder were uncertain, saying that it was hard to form a judgement on this from the information available in the public domain.

Going forwards, MONEYVAL has left industry feeling unsettled and raised concerns about the Authority’s approach to supervision.

- Firms are worried this will change the Authority’s approach supervision and oversight. For some there is a fear that the Authority will take more severe action in the future, or introduce retrospective regulation. A few were concerned that there is a need to find ‘scapegoats’ in order to demonstrate enforcement actions.

SINGLE REGULATORY BODY: FSC-IPA MERGER

The formation of a single regulatory body was another source of change – the Authority was formed in 2015 following the merger of the Financial Supervision Commission (FSC) and the Insurance and Pensions Authority (IPA).

- Although the merger, and the new CEO, were generally viewed positively, quite a few respondents commented on the cultural change that has ensued and identified areas where further harmonisation is needed (e.g. AML requirements). Differences in approach were more likely to be noted by firms who were supervised by both ‘parts’ of the Authority. A few respondents from the insurance sector spoke nostalgically of the IPA, which was often described as more flexible and informal than the FSC.
- A few noted the merger and the ongoing transition process has meant that the Authority’s focus has been more internal than external, and that this has been detrimental for the Authority’s relationship with industry.

IMPACT OF REGULATORY REQUIREMENTS

EVOLVING AND INCREASED REGULATORY REQUIREMENTS

As already mentioned, firms have faced considerable change in their regulatory requirements in recent years. All sectors have been affected, though some more than others.

- The insurance sector has been especially affected, which was highlighted by several firms. On the whole, the firms we spoke to appreciated the consultative approach, however, the extent of the change has been unsettling and in some cases has created uncertainty relating to their business model.
- The Authority's oversight of designated businesses is a relatively new development. This is a major change for the affected firms, as they get used to working under the Authority and learn what is required of them.
- The alternative banking regime is another example of an evolving area. Firms welcomed the measures, which could expand the island's non-retail banking sector, but were also frustrated by the slow progress on regulation which led to questions about the Authority's attitude to risk and their willingness or ability to facilitate innovation.

IMPACT OF CHANGES ON COMPETITIVENESS

The plethora of changes are impacting on the competitiveness of the Isle of Man's financial services industry.

- Firms are being impacted in different ways, depending on their sector, the nature of their business, their client base and appetite for risk.
- For some firms the changes present opportunities. High standards of regulation and enforcement work to ensure that the Isle of Man is a sound and stable place to do business, which can be advantageous for firms and enable them to compete globally.
- For others, the increasing regulatory requirements are an additional and potentially unnecessary regulatory burden. This increases the cost of doing business, as firms incur costs to demonstrate compliance. The regulation can also deter some investors – for some this will be about the time and effort involved (e.g. preparing certified documentation), though for other investors it may reflect concerns about their privacy.
- In the conversations it can be hard to disentangle the extent to which a firm or industry is affected as an individual's perceptions are not only shaped by what they experience in their current role, but also by their previous experience, what they have heard from others, and what has been covered in the local media. However, in the next section we have sought to identify some of the factors that underpin different perspectives and preferences relating to the supervisory approach.

2.3 THE AUTHORITY'S APPROACH: THE QUESTION OF PROPORTIONALITY

Individuals were encouraged to reflect on their experience of supervision. The conversation often focused on the extent to which individuals perceived the Authority's approach to regulation and supervision as proportionate.

- Overall, most were happy with their experience of supervision from Authority, although they could also identify examples where the regulation, or supervisory approach, seemed unnecessary or disproportionate.
- A minority were more critical, often because the regulatory requirements adversely impacted on their ability to compete internationally, or because they considered the costs of compliance to be too high relative to the risks faced.

What an individual considered to be proportionate depended on a range of factors, including:

- their assessment of the risks associated with their business,
- their experience of supervision in the past or elsewhere, and
- their own role and preferences.

For example, larger firms and those providing services to individual consumers tended to be more accepting of extensive regulation. Individuals working in a compliance function, and who were more risk averse, were also relatively conservative in their approach. In addition, firms that were more used to the FSC's approach were less likely to be frustrated by the regulatory requirements.

When regulation was considered disproportionate, or where supervision focused on the minutia, individuals were more likely to question whether the Authority understands the impact on their industry. This led to several individuals to conclude that the Authority needs to strengthen its relationship with industry.

AUTHORITY'S VIEW OF PROPORTIONATE REGULATION AND SUPERVISION



INDIVIDUAL'S VIEW OF PROPORTIONATE REGULATION AND SUPERVISION

- **Nature of Business**
- **Portfolio of Clients**
- **Prior experience**
- **Own role and responsibilities**
- **Own preferences**

PRINCIPLE-BASED VS RULES-BASED APPROACH

Firms were asked to comment on the supervisory approach, and discuss the extent to which they favour a principle-based, rather than prescriptive, approach.

Divergent and sometimes contradictory views were often expressed, and an individual's perspective appeared to be shaped by their firm, their role in the firm as well as their wider experience and exposure to the issues.

- Many respondents recognised that a more principle-based approach has the potential to offer greater flexibility in how a firm responds to the regulatory requirements. This approach was often welcomed by those who had a business development role. A few cited examples of when the Authority had focused on the principles and been willing to accept a different approach or judgement.
- However, others (often those in a compliance role) raised concerns that it would be much harder to demonstrate compliance against principles than against rules. The challenges raised included, whether staff at the Authority had a good enough understanding of their business and the risks involved, and whether the principles would be applied consistently.
- Uncertainty given the changing environment, including the worry related to the potential fall-out of the MONEYVAL assessment, has lead some firms to go beyond what is required of them by the Authority. This potentially results in 'over-compliance', and contributes to rising compliance costs for these firms. These firms are more likely to prefer the certainty that a prescriptive approach provides, although often they would still like there to be some in-built flexibility.

Firms may benefit from a better understanding of how the Authority approaches supervision and oversight – especially those where the interaction is relatively infrequent, or where the sector has been subject to considerable regulatory change. It may also help to provide clarity given the changing environment and address the concerns that remain among some following MONEYVAL.

INDIVIDUAL'S VIEW OF PROPORTIONATE REGULATION AND SUPERVISION

• Nature of Business	(including risk relating to range or complexity of products / services)
• Portfolio of Clients	(individual consumers or corporate clients)
• Prior experience	(e.g. FSC vs IPA approach, other jurisdictions, previous employment)
• Own role and responsibilities	(e.g. business development vs compliance)
• Own preferences	(e.g. approach to work, communication, attitude to risk)

2.4 FIRMS' RELATIONSHIP WITH THE AUTHORITY

Firms were asked about their relationship and engagement with the Authority. Individuals described the frequency of their contact with the Authority, and commented on whether they felt it was an open and productive dialogue, and whether they felt supported.

A wide range of views were expressed, though almost all spoke very positively about their relationship manager, even if in other respects they felt their relationship with the Authority could be improved. Most of the firms we spoke to fall into one of four categories:

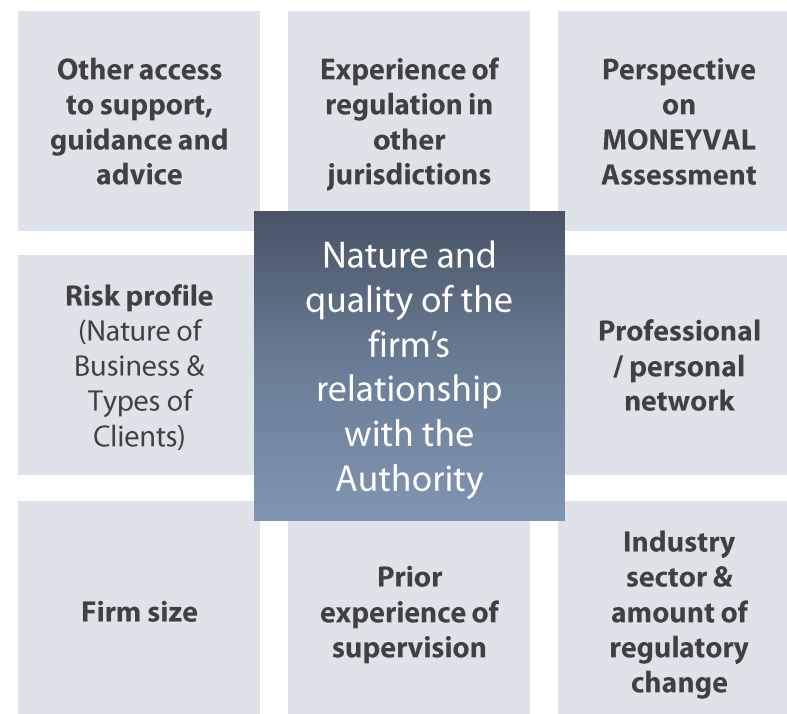
Regular interaction and feel well supported.	Feel content with limited interaction.	Limited interaction and would like more support.	Unhappy firms, who want a better relationship.
<ul style="list-style-type: none">• This group has a close relationship with the Authority.• Includes larger firms and firms that may pose higher risks.• They typically describe an open and productive relationship with good access to formal and informal guidance.• Individuals tend to have greater exposure to the Authority, either from previous roles, employment or through their network.• This group were more open to a principle-based approach to supervision.	<ul style="list-style-type: none">• This group tends to include smaller firms with supervisory visits every 3-5 years.• Often content with their level of engagement because they have access to support or guidance from elsewhere (personal experience, professional networks, part of larger Group).• May be content because the nature of their business means that the regulations are straightforward to apply.	<ul style="list-style-type: none">• This group tends to include smaller firms who have limited access to support or guidance from elsewhere.• Firms in industries that are undergoing substantial change may also fall into this group.• While some firms were somewhat reluctant to ask questions of the Authority, often they would also welcome more informal opportunities to interact and seek guidance.	<ul style="list-style-type: none">• This group feel particularly unsettled by the prevailing environment.• They may be concerned that Authority's response to the MONEYVAL assessment will negatively impact on them or their industry.• These firms are also more likely to be sectors facing more regulatory change.• Most expressed a desire for a more constructive relationship.• In a few cases the relationship has completely broken down and they may use intermediaries to ask questions.

INFLUENCING FACTORS

The nature and quality of the relationships between firms and the Authority vary considerably. They appear to depend on a range of factors.

Overall, firms that had more frequent interaction with the Authority tended to speak more positively about their relationship. They seemed to have a better understanding of the Authority's approach to supervision, and the challenges that the regulator faces in striving to protect customers, prevent financial crime and maintain confidence in the Isle of Man's finance industry.

- **Firm size:** larger firms tend to have more regular, open and productive dialogue.
- **Risk profile:** higher risks can bring increased interaction, although it can bring also tension, as firms may perceive the Authority's conservative approach to be impeding commercial gains.
- **Other access to support, guidance and advice:** those with better access tend to have a better relationship – access may reflect the strength and competence of the firms own compliance function, resources from elsewhere within the Group, or external sources (e.g. industry bodies, professional organisations).
- **Professional / personal network:** in some cases the relationship with the Authority is enhanced through interaction with an individual's professional or personal network (e.g. created opportunities for informal interaction with the Authority, source of advice or additional insight).
- **Prior experience:** past positive experience facilitates the current relationship (and vice versa) – this may be from a different regulated entity or from having been employed by the regulator.
- **Experience of regulation in other jurisdictions:** allows for comparison, which was often favourable, though there were examples where they were more efficient but less personable.



- **Industry sector and amount of regulatory change:** although not the overriding factor, some sectoral differences were apparent, with those undergoing considerable change feeling more unsettled or frustrated (notably, insurance and Corporate Service Providers).
- **Perspective of MONEYVAL assessment:** as noted earlier individuals have different interpretations of MONEYVAL. In some respects their perspective will depend their relationship, but it is noted here as it may also impact on their relationship going forwards and could discourage an open dialogue.

2.5 DEVELOPING EFFECTIVE GUIDANCE

WRITTEN GUIDANCE

The majority of firms were happy with the written guidance available from the Authority and found it met their needs.

In terms of content, most respondents were satisfied with the information provided and found the example situations included very helpful. Some individuals requested a greater use of scenarios in the guidance, and the Beneficial Ownership Act guidance and some Finance Intelligent Unit publications were given as examples that work well. Most felt that the Authority have the balance right, although a few individuals would welcome more detailed and/or clearer guidance. This was often those who favoured a more prescriptive approach to supervision, or who were feeling particularly unsettled as to the Authority's regulatory expectations.

There were some requests for updated guidance on AML/CFT for those working in the insurance sectors. Investment businesses and designated businesses also indicated they would welcome some updated guidance.

Most found it helpful that the guidance is presented for each type of regulated entity. However, firms with permission to undertake multiple types of regulated activity can find it more difficult. One noted there are slight differences across the versions and said it is not always clear which should take precedence in a particular situation.

The one aspect where there may be more scope to improve is ensuring that the guidance is easy to find and easy to navigate. Several commented that it could be difficult to find the relevant guidance on the website, and suggested improving the search function – both on the website and within a PDF. Another suggested using hyperlinks to make it easier to find the relevant section within the rule book.

EVENTS

Several individuals noted the events and workshops hosted by the Authority were useful – especially the one on MONEYVAL. In general, face-to-face contact with the Authority was welcomed. It is seen as a mechanism to engage with the Authority, and potentially to seek its opinion informally. Events believed to be most helpful are ones that are more specific to the Isle of Man and/or industry sector. Discussion forums on the implementation of new guidance was suggested as potentially being helpful.

Some respondents noted they had been unable to attend for practical reasons (e.g. business travel, competing commitments and demands) and this was especially true for smaller firms. Running multiple sessions to give a choice of dates and times was suggested, but others noted that they would benefit from simply being able to watch or listen to a recording of the presentation.

A few also suggested that the Authority attend more industry events. This would help them better understand key issues for industry, as well as appear more approachable and accessible. It would also offer firms more opportunity to interact with Authority staff, thereby improving the relationship and enabling firms to seek informal advice.

2.6 OPTIMISING THE CONSULTATION PROCESS

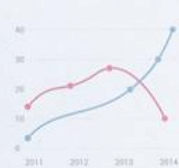
Firms discussed how effective they found the process of consultation with the Authority. They were encouraged to focus on any changes the Authority could make when consulting in the future. Some areas of the finance industry are undergoing a period of heavier consultation than others, so the amount that respondents had to say on this topic varied.

- Most firms monitored the consultations, but were selective in when feedback was given, focusing on issues that were relevant for their firm or when they had concerns. Thus, a limited response to a consultation may reflect either a limited interest in the topic or no concerns with what was proposed.
- Individuals in the insurance sector noted the extensiveness of the consultations, but most appreciated the extent to which the Authority sought feedback.
- Larger firms had more capacity to participate in consultations, and would often feedback directly and via the industry body. Smaller firms were less engaged, often relying on the industry body to form a response. However, they would respond from time-to-time, usually via the industry body. Ensuring that the responses submitted by industry bodies are representative came up as a potential issue.
- Of those who had participated in the consultations, most said they felt that the scope and content of the consultations were clear. A couple of respondents thought that it would help if the Authority could try to coordinate the consultations better, so that consultations on similar or overlapping topics could be combined.
- Most said the timeframe to respond was adequate, though a few noted examples when the timeframe was very tight or the timing was difficult (e.g. during summer holidays, close to Christmas). It was recognised that there are occasions where the Authority is under pressure to have findings by a certain deadline, and this can shorten the consultation period available. A handful of firms felt that when there are very short periods for response, this would suggest that the result is “pre-ordained”. Overall, the majority noted recent improvements in the coordination and timing of consultations.
- In general, frustrations that were expressed tended to relate to specific instances, often where they felt the timeframe or timing of the consultation was sub-optimal, where feedback was not taken on board or where the developments were moving slowly (e.g. alternative banking regime).
- Some suggested small groups meetings or workshop were an effective way to engage industry and initiate consultation. Though in terms of feedback, it was also noted that such events depend on attendance - both in terms of the firms represented and in the seniority and qualities of the Authority staff conducting it.
- A few individuals noted the consultations may benefit from any efforts the Authority takes to strengthen its relationship with industry and better understand the pressures they face.

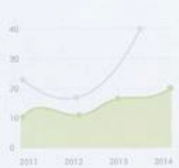
APPENDICES

Morris Charts

Line Chart



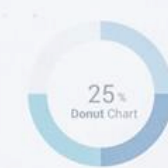
Area Chart



Bar Chart



Donut Chart



Sparkline Charts

Line Chart



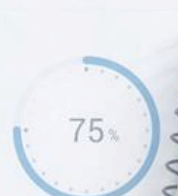
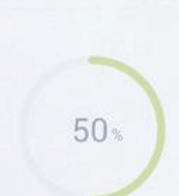
Bar Chart



Pie Chart



Easy Pie Charts



APPENDIX A: PARTICIPATING FIRMS

The survey received 186 responses from firms invited to participate. The following firms were willing to be named as having completed the survey.

3R's Limited
 ACU Insurance (Isle of Man) Ltd
 Acumen Finance & Loans
 Anglo Manx Trust Company Limited
 Aon insurance managers (isle of man) limited
 Aon Insurance Managers (Isle of Man) Limited
 Apex Fund Services (IOM) Ltd
 Appleby
 Ardan International Limited
 Aston International Limited
 Avis Budget Europe International Reinsurance Ltd.
 Aviva
 B Taylor Accountancy
 Blackford & Company Insurance Brokers Ltd
 Blands Insurance Brokers Ltd
 Blocknote limited
 Boal & Co
 Cains Advocates Limited
 Capita Life and Pensions Services (Isle of Man) Limited
 Capricorn Management Services Ltd
 Carter Moon
 Cayman National Bank (Isle of Man) Limited
 Cherry Godfrey Finance
 Chrystal Bros Stott & Kerruish Ltd
 Clearwater Fiduciary Services Limited
 Connect2Accounting Limited
 Crowe Morgan Management Limited
 CW Consulting Limited
 CWCS Limited
 David Gelling & Associates Limited
 Dawn Webb Advisory Limited
 Dickinson Cruickshank Ramsey
 Dixcart Management (IOM) Limited
 DO! Developing Orphans
 DQ Advocates Limited
 Ducas Limited T/A Alexander Elliott
 Enigma Accountancy and Bookkeeping Ltd
 Equilibrium Pensions Limited
 Equiom Isle of Man Limited
 Equiom Solutions Limited
 Ernie Thorn
 Eстера Trust (Isle of Man) Limited/Eстера Fund Services (Isle of Man) Limited
 Evoke
 F C Accountancy Services Limited
 FIM Capital Limited

Finantech Limited
 Fios Limited
 First Names (Isle of Man) Limited, First National Trustee Company Limited, Cains Fiduciaries Limited & Moore Fund Administration (IOM) Limited
 Friends Provident International Limited
 Galileo Fund Services Limited
 Grant Thornton (Isle of Man) Limited
 Greystone Trust Company Limited
 Harding Lewis Limited
 HarleyPartners
 Harmony Homes Estate Agency
 Highbury Accounting Solutions Limited
 Hotchkiss Associates Limited
 HPB Assurance Limited
 HSBC Bank plc Isle of Man Branch
 ILS World
 Independent Financial Consultants Ltd
 IntegralLife International Limited
 Integrated-Capabilities Ltd
 Inter-Continental Management Limited
 Investasure Financial Services Ltd
 Investment interest management Ltd
 IQE Limited
 Island Financial Solutions Limited
 Ita Mc Ardle
 JMR Limited
 john bourbon
 KS Tax & Accounts
 Kestrel Insurance Services Limited
 Laxey Partners Ltd and DBAY Advisors Limited
 Lloyds Bank International Limited
 LMS PARTNERS LIMITED
 M&P Legal
 MAC
 Mannac Limited
 Marsh Management Services Isle of Man
 MHG Ocean Benefits Limited
 MitonOptimal Portfolio Management (IOM) Limited
 Nedgroup Investments
 Nikki Sperring Freelance Book Keeper & Business Helper.
 Northern Wychwood Limited
 Old Mutual International collectively and representing Old Mutual International Business Services Limited, Old Mutual International Isle of Man Limited, Old Mutual International Trust Company Limited, Old Mutual Life Assurance Company (South Africa) Limited – IOM Branch

Onford Limited
 Optimus Limited
 Oxford Corporate Management Company Ltd
 Paicalex Trust Company (Isle of Man) Limited
 Pentech Limited
 Phoenix Insurance Brokers Limited
 PricewaterhouseCoopers LLC
 Pringle Law Limited
 Ramsey Crookall
 Raynham Insurance Company Limited
 RBS International/IOM Bank
 RED ACCOUNTS LIMITED
 RH Corkill & Co Limited
 RL360 Insurance Company Limited
 Rossborough Insurance (IOM) Limited
 Roy Dixon
 Sancus (IOM) Limited
 Santander UK plc Isle of Man branch
 Simcocks Advocates Limited
 SMP Partners
 Standard Bank Isle of Man Limited
 Sterling Trust Limited
 The Law Trust Limited
 The Pahar Trust Nepal
 Thomas Cook (TCCT Retail Ltd)
 Thomas Miller (IOM) Ltd & Thomas Miller (IOM Management Services) Ltd
 Thomas Miller Captive Management Limited
 Thornton Associates Ltd
 Tower Insurance Co Ltd
 TREXX Insurance Company Ltd
 Trident Trust Company (I.O.M.) Limited
 Turnstone (Isle of Man)
 Unlu Alternative Asset Management Limited
 Utmost Limited and Utmost Trustee Solutions
 V. COMPANIES LIMITED
 VERIS SECRETARIAL LIMITED
 Westwinds Offshore Services Limited
 WH Ireland
 Willis Towers Watson / Willis Towers Watson Management (Isle of Man) Limited - and on behalf of our Clients
 Zedra Trust Company (Isle of Man) limited



ISLE OF MAN FINANCIAL SERVICES AUTHORITY

INDUSTRY SURVEY: REGULATED ENTITIES

INTRODUCTION

The Isle of Man Financial Services Authority (the Authority) has commissioned a survey that is being distributed to all firms regulated by the Authority and designated businesses within the Isle of Man. The Authority would like to further improve and develop its relationship with the firms it regulates, supervises and oversees and this survey is an opportunity to provide feedback on its current performance. The results of the survey will be published by the Authority.

Island Global Research has been commissioned to undertake this survey. We are an independent company providing market research and consultancy services. We will ensure individual responses to this survey remain completely confidential.

INSTRUCTIONS

The questionnaire should take approximately 20-30 minutes to complete, and has four sections:

- Overall impression of the Authority
- Approach of the Authority and Supervisory Activities
- Engagement with the Authority
- About your firm

Please follow the instructions on each page. Most ask you to select options, though there are opportunities for you to provide comments as well. Please select the most appropriate response for each question. If you feel a question is not relevant, please leave blank and move to the next question. Questions marked with an * are required.

In order to ensure that the response is representative of the wider view of your firm, or group of firms, you may wish to engage with other members in your team before completing this form. To assist you with this, this pdf version of the questionnaire for regulated entities is included in your invitation. The questionnaire will only be completed once you have entered your answers online and reached the Thank You message page.

Please visit: <http://survey.islandglobalresearch.com/s3/FSA> to complete the questionnaire online.

We would be grateful if you would complete the questionnaire by 6th April 2018.

Thank you for taking the time to complete the survey.

Island Global Research is the trading name of Island Global Research Limited
Registered Address: Fourth Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AW
Guernsey Registered Company No. 60008

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Web	www.islandglobalresearch.com

THE FOLLOWING QUESTIONNAIRE IS FOR YOUR ASSISTANCE ONLY. THE SURVEY MUST BE COMPLETED ONLINE AT <http://survey.islandglobalresearch.com/s3/FSA> BY THE 6th APRIL 2018.

To help tailor the questionnaire to your firm, please can you confirm which of the following activities your firm undertakes? (Select all that apply. A response to this question is required in order to proceed.) *

- ☐ Deposit Taking and Credit Unions [If selected please continue to section1]
- ☐ Financial Advisors [If selected please continue to section1]
- ☐ Other Investment Business [If selected please continue to section1]
- ☐ Services to Collective Investment Schemes ("funds") [If selected please continue to section1]
- ☐ Trust and / or Corporate Services including professional officers [If selected please continue to section1]
- ☐ Money Transmission Services [If selected please continue to section1]
- ☐ Retirement Benefits Schemes Administrator [If selected please continue to section1]
- ☐ Life Assurance [If selected please continue to section1]
- ☐ General and Captive Insurance including insurance managers [If selected please continue to section1]
- ☐ General Insurance Intermediaries [If selected please continue to section1]
- ☐ Designated Business [If ONLY this is selected, please see separate survey for designated businesses]

SECTION 1 - OVERALL IMPRESSION OF THE AUTHORITY

This section asks about your overall impression of the Authority, and how effectively it fulfils its responsibilities. In later sections you will be asked to provide more detailed feedback on the approach of the Authority and your engagement with the Authority.

Overall, how important do you think the role of the Authority is as an effective regulator to the Island's financial services sector in relation to the following?

	Not at all important	Not important	Neutral	Important	Very important	Don't know
To the Island's proposition as a responsible international financial services centre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To the success of my industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To the strategic success of my firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To what extent do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority is effective in protecting customers of regulated firms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority is effective in reducing financial crime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority is effective in maintaining confidence in the island's finance industry though effective regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Overall, how effective do you think the Authority is in fulfilling the following responsibilities?

	Not at all effective	Not effective	Quite effective	Very effective	Don't know
Regulation and supervision of regulated firms, including collective investment schemes and retirement benefits schemes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining and developing an appropriate and proportionate regulatory regime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring compliance of firms with their regulatory obligations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring compliance of firms with their AML/CFT obligations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taking appropriate, timely and proportionate action	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing regulatory guidance and information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Participation in consultative bodies, working groups, and other arrangements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments regarding the overall effectiveness of the Authority? (If no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF SECTION 1. PLEASE MOVE TO SECTION 2]

SECTION 2 – APPROACH OF THE AUTHORITY AND SUPERVISORY ACTIVITIES

APPROACH OF THE AUTHORITY

Do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority understands the business and risks of firms that it regulates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority is effective in identifying risks and issues impacting your firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority takes actions proportionate to the risks / benefits involved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority has an early and productive dialogue with industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority understands emerging risks and new opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority communicates clearly and effectively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority intervenes at an early stage to prevent unacceptable risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority seeks to understand, collaborate and follow a reasonable path of remediation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enforcement is only pursued when remediation is not possible or appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority designs and develops a regulatory framework that promotes effective controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority designs and develops a regulatory framework that promotes good risk management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority designs and develops a regulatory framework that promotes suitable disclosure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUPERVISORY ACTIVITIES (EXCLUDING ON-SITE VISITS)

These questions are about supervisory activities excluding on-site visits. On-site visits will be asked about separately.

Overall, what impact has the Authority's

	Very positive impact	Positive impact	No impact	Negative impact	Very negative impact	Don't know
Supervision activities had on your firm's risk management practices over the past few years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supervision activities had on your firm's governance procedures over the past few years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supervision activities had on your firm's consumer protection practices over the past few years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prudential requirements had on the financial management of your firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How effective do you think the supervisory activities of the Authority are?

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If quite effective or very effective: Please explain why you think the process is effective?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

If not effective or not at all effective: Please explain why you think the process is not effective?

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Over the last 24 months have you seen a change in the supervisory approach of the Authority?

- ☐ Yes
- ☐ No

If yes: How has the supervisory approach changed?

Much worse | Worse | Neither worse nor improved | Improved | Much improved | Don't know

If improved or much improved: Please explain why you think the approach has improved?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

If worse or much worse: Please explain why you think the approach is worse?

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In relation to the risks within your industry, what one or two risk areas do you believe should be priorities for the Authority over the next few years?

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In relation to the risks to the integrity of the Isle of Man as a responsible international financial centre, what one or two risk areas do you believe should be priorities for the Authority over the next few years?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

ON-SITE VISITS

Over the last 24 months have you had any experience of on-site supervisory visits from the Authority?

- ☐ Yes
- ☐ No

If yes: In relation to on-site supervisory visits, do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
Communication on the focus and objectives of the on-site supervisory visit is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The scope of the on-site supervisory visit focuses on risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication on the findings of the on-site supervisory visit is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The on-site supervisory visit reports have the appropriate level of detail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The recommendations and suggestions of the on-site supervisory visit report are useful and helps us to improve our business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The firm has an opportunity to express its views in relation to the findings of the on-site visit report prior to the finalisation of the report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The on-site visit report is issued in a timely manner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If disagree or strongly disagree to the statement 'The on-site supervisory visit reports have the appropriate level of detail': Please can you explain why you disagree with the statement 'the on-site supervisory visit reports have the appropriate level of detail'?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

Do you have any further comments relating to supervision? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

FITNESS AND PROPRIETY ASSESSMENTS

How effective do you think the Authority's fitness and propriety (vetting) assessment process is? (we are interested in your view even if you have no direct recent experience of fitness and propriety assessments)

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If quite effective or very effective: **Please explain why you think the process is effective?**

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

If not effective or not at all effective: **Please explain why you think the process is not effective?**

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

Over the last 24 months have you had any experience of fitness and propriety assessments from the Authority?

- ☐ Yes
- ☐ No
- ☐ Don't know

If yes: **Based on your experience of the fitness and propriety assessment process, please could you rate the following aspects?**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Guidance on the fitness and propriety assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of the fitness and propriety assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time taken to process an application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability and accessibility of the Authority's staff throughout the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any further comments relating to the fitness and propriety assessment process? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

AUTHORISATION

Authorisations include not only the initial application to undertake activities regulated by the Authority but also extensions to existing permissions and change of controller applications.

Over the last 24 months which of the following authorisation processes have you had experience of? (Select all that apply)

- ☐ Consideration and determination of initial application for permissions
- ☐ Applications for extensions to permissions
- ☐ Change of controller applications
- ☐ None of the above **[MOVE TO ENFORCEMENT]**

For **each option** selected above:

How effective do you think the process for [insert process selected] **is?**

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If consideration and determination of initial application for permissions AND/OR applications for extensions to permissions AND/OR change of controller applications selected:

Based on your experience of authorisation processes, please could you rate the following aspects?

	Very Poor	Poor	Moderate	Good	Very Good	Don't know / No experience
Guidance on the authorisation process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of the authorisation process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time taken to process an application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability and accessibility of the Authority's staff throughout the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments relating to the authorisation processes? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

ENFORCEMENT

Overall, what impact has the Authority's enforcement of the regulatory and AML/CFT obligations had on your industry?

Very negative impact | Negative impact | No impact | Positive impact | Very positive impact | Don't know

In your view, please could you rate the enforcement process on the ...?

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Clarity and transparency of the enforcement process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the Authority focuses its efforts on the right issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the enforcement process acts as an effective deterrent against undesirable behaviours	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How aware are you of the enforcement actions undertaken by the Authority in the past 24 months?

Not at all aware | Not aware | Aware | Very aware | Don't know

Do you have any comments relating to enforcement? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF SECTION 2. PLEASE MOVE TO SECTION 3]

SECTION 3 – ENGAGEMENT WITH THE AUTHORITY

STAFF

Do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The team responsible for your firm has a good understanding of your firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The team responsible for your firm is experienced in your industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other staff with which your firm interacts are experienced and knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority have the appropriate technical knowledge and expertise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority demonstrate high standards of professional integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority seek to build trust, creating positive relationships with industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The quality of work produced by the Authority is consistently high	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Overall, how would you rate your experience with the staff at the Authority?

Very Poor | Poor | Moderate | Good | Very Good | Don't know

Do you have any comments with regards to your experience of the staff at the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

ENGAGEMENT

In the past 12 months which methods of communication have you used to engage with the Authority? (Select all that apply)

- ☐ Attendance at annual business meeting
- ☐ Attendance to update meeting at request of the firm
- ☐ Attendance to update meeting at request of the Authority
- ☐ Communication by phone
- ☐ Communication by letter
- ☐ Communication by email
- ☐ Communication by secure email
- ☐ Feedback through industry representative bodies
- ☐ There has been no contact between my firm and the Authority (other than regulatory or oversight returns) in the last 12 months

What is your preferred method of communication with the Authority? (Select all that apply)

- ☐ Face to face
- ☐ Telephone
- ☐ Letter
- ☐ Email
- ☐ Secure email (or similar)
- ☐ Through industry representative bodies

Overall, do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority explains the purpose of the information that it requests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority provides an opportunity for your firm to discuss issues of concern with the Authority prior to the Authority coming to a conclusion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communications from the Authority which outline issues of concern are clear and unambiguous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority is consistent in the messaging of its written and verbal communications with firms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How satisfied are you with the overall relationship your firm has with the Authority?

Very dissatisfied | Dissatisfied | Neutral | Satisfied | Very Satisfied | Don't know

Do you have any further comments relating to engagement and communication with the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

EVENTS

In the past 12 months, which of the following events have you attended and how useful were they? (Select all that apply)

	Not at all useful	Not very useful	Neutral	Useful	Very useful	Don't know / Didn't attend
Update to Industry regarding MONEYVAL 5th round evaluation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anti-Money Laundering & Financial Fraud Conference	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Updating the Insurance Framework project working groups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industry Lunches with representatives from industry groups and the Authority Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Events hosted by others to which the Authority contributed or presented	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on Authority events? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

PUBLICATIONS & NEWSLETTERS

Do you subscribe to the Authority's RSS feed?

- ☐ Yes
- ☐ No
- ☐ Don't know

In the past 12 months, have you read any of the following publications, or newsletters from the Authority and how useful were they to you?

	Not at all useful	Not very useful	Neutral	Useful	Very useful	Don't know / Didn't read
Annual Report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Update Newsletters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
News items	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Notices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Warnings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on publications and newsletters issued by the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

WEBSITE

On average how often do you visit the Authority's website?

- ☐ Most days
- ☐ At least once a week
- ☐ At least once per month
- ☐ Less than once a month
- ☐ Less than once a year

How would you rate the Authority's website in terms of:

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Ease of finding the information you need	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity of information provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance of the information provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Search facility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General look of the website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the Authority's website? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

GUIDANCE

How would you rate guidance issued by the Authority in terms of:

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Providing firms with a clear explanation of the Authority's expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Timely updates responding to changes in market conditions or suggestions from industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Striking an appropriate balance between the regulatory objectives and reducing the burden of compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the guidance available from the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

CONSULTATION

In the past 12 months, have you participated in any of the Authority's consultation processes?

- ☐ Yes, directly
- ☐ Yes, via an industry body
- ☐ No
- ☐ Don't know

If yes directly or via an industry body: **Overall how effective have you found the Authority's consultation process?**

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If yes directly or via an industry body: **Based on your experience of the consultation process, please could you rate the following aspects?**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
The extent to which the Authority consults with industry about changes to policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The extent to which the Authority consults with industry about legislative changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity of the consultation objectives and the changes being proposed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the impact on industry and other stakeholders is considered in the proposals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The extent to which a sufficient length of time is given to industry to consider and respond to the changes proposed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the responses of industry are taken into consideration in determination of the final draft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effectiveness of the communication on the rationale for the final draft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the consultation process? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

STATISTICAL INFORMATION

In the past 12 months have you accessed the statistical information available on the Authority's website?

- ☐ Yes
- ☐ No
- ☐ Don't know

If Yes: **How would you rate the statistical information on the Authority's website in terms of:**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Ease of finding the information you need	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Frequency with which the statistical information is updated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If yes: **How would you rate the relevance of the statistical information on:**

	Not used	If used					
		Very Poor	Poor	Moderate	Good	Very Good	Don't know
Pensions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CIS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TCSP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the statistical information available on the Authority's website? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF SECTION 3. PLEASE MOVE TO CONCLUSIONS]

CONCLUSIONS

Do you have any final comments about the Authority?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF CONCLUSIONS. PLEASE MOVE TO SECTION 4]

SECTION 4 – ABOUT YOUR FIRM

A response to each question on this page is required in order to proceed. Please note that Island Global Research will not pass on any detailed responses connected to your firm, your name or position.

What is the name of your firm? *

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

We would like to include a list of firms who have responded to the survey as an appendix to the report. **Are you willing for your firm to be named as having contributed to the survey? ***

- ☐ Yes, the firm can be named
- ☐ No, the firm should not be named

The results of the survey will be examined in aggregate, by regulatory permissions and by size of entity. To help us in this analysis, compared to your competitors in the Isle of Man, would you consider your firm a small, medium or large entity? *

- ☐ Small
- ☐ Medium
- ☐ Large
- ☐ Don't know

FOLLOW-UP QUESTIONS

To obtain greater insight we would like to conduct a confidential interview with a small sample of senior management from across the sectors to explore areas of interest arising from this survey. These interviews are likely to take place 11 - 29 June 2018. Would a senior representative of your firm be willing to participate in an individual interview? The interviews would be conducted by Island Global Research and all information given would be treated confidentially, the results aggregated and presented in a way that the individual contributor cannot be identified. *

- ☐ Yes
- ☐ No

If Yes: Please can you provide the name, email address and telephone number of the person we should contact regarding participation of a senior representative in the second phase of this industry survey.

Name: Text box

Position: Text box

Email Address: Text box

Telephone Number(s): Text box

If known, please give the name and position of the senior representative who is willing to participate, if different to the contact above.

Name: Text box

Position: Text box

Thank you for taking our survey. Your response is very important to the Isle of Man Financial Services Authority.

[END OF SURVEY. PLEASE VISIT <http://survey.islandglobalresearch.com/s3/FSA> TO COMPLETE IT ONLINE]



ISLE OF MAN FINANCIAL SERVICES AUTHORITY

INDUSTRY SURVEY: DESIGNATED BUSINESSES

INTRODUCTION

The Isle of Man Financial Services Authority (the Authority) has commissioned a survey that is being distributed to all firms regulated by the Authority and designated businesses within the Isle of Man. The Authority would like to further improve and develop its relationship with the firms it regulates, supervises and oversees and this survey is an opportunity to provide feedback on its current performance. The results of the survey will be published by the Authority.

Island Global Research has been commissioned to undertake this survey. We are an independent company providing market research and consultancy services. We will ensure individual responses to this survey remain completely confidential.

INSTRUCTIONS

The questionnaire should take approximately 20-30 minutes to complete, and has four sections:

- Overall impression of the Authority
- Approach of the Authority and Supervisory Activities
- Engagement with the Authority
- About your firm

Please follow the instructions on each page. Most ask you to select options, though there are opportunities for you to provide comments as well. Please select the most appropriate response for each question. If you feel a question is not relevant, please leave blank and move to the next question. Questions marked with an * are required.

In order to ensure that the response is representative of the wider view of your firm, or group of firms, you may wish to engage with other members in your team before completing this form. To assist you with this, this pdf version of the questionnaire for regulated entities is included in your invitation. The questionnaire will only be completed once you have entered your answers online and reached the Thank You message page.

Please visit: <http://survey.islandglobalresearch.com/s3/FSA> to complete the questionnaire online.

We would be grateful if you would complete the questionnaire by 6th April 2018.

Thank you for taking the time to complete the survey.

THE FOLLOWING QUESTIONNAIRE IS FOR YOUR ASSISTANCE ONLY. THE SURVEY MUST BE COMPLETED ONLINE AT <http://survey.islandglobalresearch.com/s3/FSA> BY THE 6th APRIL 2018.

To help tailor the questionnaire to your firm, please can you confirm which of the following activities your firm undertakes? (Select all that apply. A response to this question is required in order to proceed.) *

- ☐ Deposit Taking and Credit Unions [If selected please see separate survey for Regulated Entities]
- ☐ Financial Advisors [If selected please see separate survey for Regulated Entities]
- ☐ Other Investment Business [If selected please see separate survey for Regulated Entities]
- ☐ Services to Collective Investment Schemes ("funds") [If selected see separate survey for Regulated Entities]
- ☐ Trust and / or Corporate Services including professional officers [If selected please see separate survey for Regulated Entities]
- ☐ Money Transmission Services [If selected please see separate survey for Regulated Entities]
- ☐ Retirement Benefits Schemes Administrator [If selected please see separate survey for Regulated Entities]
- ☐ Life Assurance [If selected please see separate survey for Regulated Entities]
- ☐ General and Captive Insurance including insurance managers [If selected please see separate survey for Regulated Entities]
- ☐ General Insurance Intermediaries [If selected please see separate survey for Regulated Entities]
- ☐ Designated Business [If ONLY this is selected, please continue to Section 1]

SECTION 1 - OVERALL IMPRESSION OF THE AUTHORITY

This section asks about your overall impression of the Authority, and how effectively it fulfils its responsibilities. In later sections you will be asked to provide more detailed feedback on the approach of the Authority and your engagement with the Authority.

Overall, how important do you think the role of the Authority is in the oversight of designated businesses for compliance with their AML/CFT obligations in relation to the following?

	Not at all important	Not important	Neutral	Important	Very important	Don't know
To the Island's proposition as a responsible international financial services centre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To the success of my industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To the strategic success of my firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To what extent do you agree with the following statement?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority is effective in reducing financial crime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Overall, how effective do you think the Authority is in fulfilling the following responsibilities?

	Not at all effective	Not effective	Quite effective	Very effective	Don't know
Monitoring compliance of firms with their AML/CFT obligations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taking appropriate, timely and proportionate action	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing regulatory guidance and information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments regarding the overall effectiveness of the Authority? (If no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF SECTION 1. PLEASE MOVE TO SECTION 2]

SECTION 2 – APPROACH OF THE AUTHORITY AND OVERSIGHT ACTIVITIES

OVERSIGHT BODY

Have you elected to be overseen for AML/CFT compliance by a professional body?*

- ☐ Yes
- ☐ No

If Yes: Who have you elected to be responsible for the oversight process of your firm? Please select one of the following.

- ☐ Isle of Man Financial Services Authority
- ☐ Institute of Chartered Accountants of England and Wales
- ☐ Association of Chartered Certified Accountants
- ☐ Isle of Man Law Society
- ☐ Institute of Certified Bookkeepers
- ☐ Institute of Financial Accountants
- ☐ International Association of Bookkeepers

APPROACH OF THE AUTHORITY

Do you agree with the following statements? (1: The first two statements refer to "The Authority" for those have NOT elected to be overseen for AML/CML compliance by a professional body. These questions refer to "the body responsible for oversight" for those who HAVE elected to be overseen for AML/CFT)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority/body responsible for oversight understands the business and risks of firms that it regulates ¹	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority/body responsible for oversight is effective in identifying AML/CFT risks and issues impacting your firm ¹	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority takes actions proportionate to the AML/CFT risks involved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority has an early and productive dialogue with industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority understands emerging risks and new opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority communicates clearly and effectively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority intervenes at an early stage to prevent unacceptable risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority seeks to understand, collaborate and follow a reasonable path of remediation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enforcement is only pursued when remediation is not possible or appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ON-SITE VISITS

Over the last 24 months have you had any experience of on-site compliance visits from the Authority/body responsible for oversight?

- ☐ Yes
- ☐ No

If yes: In relation to on-site compliance visits, do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
Communication on the focus and objectives of the on-site compliance visit is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication on the findings of the on-site compliance visit is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The on-site compliance visit reports have the appropriate level of detail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The recommendations and suggestions of the on-site compliance visit report are useful and helps us to improve our AML/CFT controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The firm has an opportunity to express its views in relation to the findings of the on-site visit report prior to the finalisation of the report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The on-site visit report is issued in a timely manner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If disagree or strongly disagree with the statement 'The on-site compliance visit reports have the appropriate level of detail': Please can you explain why you disagree with the statement 'the on-site compliance visit reports have the appropriate level of detail'?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

Do you have any further comments relating to oversight? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

FITNESS AND PROPRIETY ASSESSMENTS

How effective do you think the Authority's fitness and propriety (vetting) assessment process is? (we are interested in your view even if you have no direct recent experience of fitness and propriety assessments)

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If quite effective or very effective: Please explain why you think the process is effective?

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

If not effective or not at all effective: **Please explain why you think the process is not effective?**

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

Over the last 24 months have you had any experience of fitness and propriety assessments from the Authority?

- ☐ Yes
- ☐ No
- ☐ Don't know

If yes: **Based on your experience of the fitness and propriety assessment process, please could you rate the following aspects?**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Guidance on the fitness and propriety assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of the fitness and propriety assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time taken to process an application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability and accessibility of the Authority's staff throughout the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any further comments relating to the fitness and propriety assessment process? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

REGISTRATION

Registrations include not only the initial application to register as a designated business but also change of controller applications.

Over the last 24 months which of the following registration processes have you had experience of? (Select all that apply)

- ☐ Application for registration
- ☐ Change of controller applications
- ☐ None of the above **[MOVE TO ENFORCEMENT]**

For **each option** selected above:

How effective do you think the process for [insert process selected] **is?**

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If Application for registration AND/OR AND/OR change of controller applications selected:

Based on your experience of registration processes, please could you rate the following aspects?

	Very Poor	Poor	Moderate	Good	Very Good	Don't know / No experience
Guidance on the registration process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of the registration process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time taken to process an application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability and accessibility of the Authority's staff throughout the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments relating to the registration processes? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

ENFORCEMENT

Overall, what impact has the Authority's enforcement of the regulatory and AML/CFT obligations had on your industry?

Very negative impact | Negative impact | No impact | Positive impact | Very positive impact | Don't know

In your view, please could you rate the enforcement process on the ...?

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Clarity and transparency of the enforcement process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the Authority focuses its efforts on the right issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the enforcement process acts as an effective deterrent against undesirable behaviours	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How aware are you of the enforcement actions undertaken by the Authority in the past 24 months?

Not at all aware | Not aware | Aware | Very aware | Don't know

Do you have any comments relating to enforcement? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

[END OF SECTION 2. PLEASE MOVE TO SECTION 3]

SECTION 3 – ENGAGEMENT WITH THE AUTHORITY

STAFF

Do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The team responsible for your firm has a good understanding of your firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The team responsible for your firm is experienced in AML/CFT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other staff with which your firm interacts are experienced and knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority have the appropriate technical knowledge and expertise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority demonstrate high standards of professional integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff of the Authority seek to build trust, creating positive relationships with industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The quality of work produced by the Authority is consistently high	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Overall, how would you rate your experience with the staff at the Authority?

Very Poor | Poor | Moderate | Good | Very Good | Don't know

Do you have any comments with regards to your experience of the staff at the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

ENGAGEMENT

In the past 12 months which methods of communication have you used to engage with the Authority? (Select all that apply)

- ☐ Attendance to update meeting at request of the firm
- ☐ Attendance to update meeting at request of the Authority
- ☐ Communication by phone
- ☐ Communication by letter
- ☐ Communication by email
- ☐ Communication by secure email
- ☐ Feedback through industry representative bodies
- ☐ There has been no contact between my firm and the Authority (other than regulatory or oversight returns) in the last 12 months

What is your preferred method of communication with the Authority? (Select all that apply)

- ☐ Face to face
- ☐ Telephone
- ☐ Letter
- ☐ Email
- ☐ Secure email (or similar)
- ☐ Through industry representative bodies

Overall, do you agree with the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The Authority explains the purpose of the information that it requests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority provides an opportunity for your firm to discuss issues of concern with the Authority prior to the Authority coming to a conclusion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communications from the Authority which outline issues of concern are clear and unambiguous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Authority is consistent in the messaging of its written and verbal communications with firms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How satisfied are you with the overall relationship your firm has with the Authority?

Very dissatisfied | Dissatisfied | Neutral | Satisfied | Very Satisfied | Don't know

Do you have any further comments relating to engagement and communication with the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

EVENTS

In the past 12 months, which of the following events have you attended and how useful were they? (Select all that apply)

	Not at all useful	Not very useful	Neutral	Useful	Very useful	Don't know / Didn't attend
Update to Industry regarding MONEYVAL 5th round evaluation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anti-Money Laundering & Financial Fraud Conference	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Events hosted by others to which the Authority contributed or presented	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on Authority events? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

PUBLICATIONS & NEWSLETTERS

Do you subscribe to the Authority's RSS feed?

- ☐ Yes
- ☐ No
- ☐ Don't know

In the past 12 months, have you read any of the following publications, or newsletters from the Authority and how useful were they to you?

	Not at all useful	Not very useful	Neutral	Useful	Very useful	Don't know / Didn't read
Annual Report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Update Newsletters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
News items	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Notices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Warnings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on publications and newsletters issued by the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

WEBSITE

On average how often do you visit the Authority's website?

- ☐ Most days
- ☐ At least once a week

- At least once per month
- Less than once a month
- Less than once a year

How would you rate the Authority's website in terms of:

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Ease of finding the information you need	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity of information provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance of the information provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Search facility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General look of the website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the Authority's website? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

GUIDANCE

How would you rate guidance issued by the Authority in terms of:

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Providing firms with a clear explanation of the Authority's expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Timely updates responding to changes in market conditions or suggestions from industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Striking an appropriate balance between the regulatory objectives and reducing the burden of compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the guidance available from the Authority? (if no, please leave blank and go to next question)

ONLINE TEXT BOX WILL EXPAND AS ANSWER IS TYPED IN.

CONSULTATION

In the past 12 months, have you participated in any of the Authority's consultation processes?

- ☐ Yes, directly
- ☐ Yes, via an industry body
- ☐ No
- ☐ Don't know

If yes directly or via an industry body: **Overall how effective have you found the Authority's consultation process?**

Not at all effective | Not effective | Neutral | Quite effective | Very effective | Don't know

If yes directly or via an industry body: **Based on your experience of the consultation process, please could you rate the following aspects?**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
The extent to which the Authority consults with industry about changes to policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The extent to which the Authority consults with industry about legislative changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity of the consultation objectives and the changes being proposed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the impact on industry and other stakeholders is considered in the proposals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The extent to which a sufficient length of time is given to industry to consider and respond to the changes proposed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extent to which the responses of industry are taken into consideration in determination of the final draft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effectiveness of the communication on the rationale for the final draft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the consultation process? (if no, please leave blank and go to next question)

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STATISTICAL INFORMATION

In the past 12 months have you accessed the statistical information available on the Authority's website?

- ☐ Yes
- ☐ No
- ☐ Don't know

If Yes: **How would you rate the statistical information on the Authority's website in terms of:**

	Very Poor	Poor	Moderate	Good	Very Good	Don't know
Ease of finding the information you need	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Frequency with which the statistical information is updated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If yes: **How would you rate the relevance of the statistical information on:**

	Not used	If used					
		Very Poor	Poor	Moderate	Good	Very Good	Don't know
Pensions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CIS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TCSP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any comments on the statistical information available on the Authority's website? (if no, please leave blank and go to next question)

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[END OF SECTION 3. PLEASE MOVE TO CONCLUSIONS]

CONCLUSIONS

Do you have any final comments about the Authority?

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[END OF CONCLUSIONS. PLEASE MOVE TO SECTION 4]

SECTION 4 – ABOUT YOUR FIRM

A response to each question on this page is required in order to proceed. Please note that Island Global Research will not pass on any detailed responses connected to your firm, your name or position.

What is the name of your firm?*

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We would like to include a list of firms who have responded to the survey as an appendix to the report. **Are you willing for your firm to be named as having contributed to the survey? ***

- ☐ Yes, the firm can be named
- ☐ No, the firm should not be named

The results of the survey will be examined in aggregate, by regulatory permissions and by size of entity. To help us in this analysis, compared to your competitors in the Isle of Man, would you consider your firm a small, medium or large entity? *

- ☐ Small
- ☐ Medium
- ☐ Large
- ☐ Don't know

FOLLOW-UP QUESTIONS

To obtain greater insight we would like to conduct a confidential interview with a small sample of senior management from across the sectors to explore areas of interest arising from this survey. These interviews are likely to take place 11 - 29 June 2018. Would a senior representative of your firm be willing to participate in an individual interview? The interviews would be conducted by Island Global Research and all information given would be treated confidentially, the results aggregated and presented in a way that the individual contributor cannot be identified. *

- ☐ Yes
- ☐ No

If Yes: Please can you provide the name, email address and telephone number of the person we should contact regarding participation of a senior representative in the second phase of this industry survey.

Name: Text box

Position: Text box

Email Address: Text box

Telephone Number(s): Text box

If known, please give the name and position of the senior representative who is willing to participate, if different to the contact above.

Name: Text box

Position: Text box

Thank you for taking our survey. Your response is very important to the Isle of Man Financial Services Authority.

[END OF SURVEY. PLEASE VISIT www.survey.islandglobalresearch.com/s3/FSA TO COMPLETE IT ONLINE]

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