



ISLE OF MAN FINANCIAL SERVICES AUTHORITY

Lught-Reill Shirveishyn Argidoil Ellan Vannin

WINTER UPDATE

IOMFSA NEWSLETTER – ISSUE 7 – JANUARY 2019

FOREWORD BY THE CHIEF EXECUTIVE

On 20 November 2018, the Authority held its first Industry Update at the Villa Marina with a busy agenda covering a range of topics from the Strategic Plan to work in our supervision, policy and enforcement teams. We also had the opportunity to hear from some outside experts with Dr. Lyndsey Jeffries providing an overview of the results of the industry survey and a panel of industry experts who shared their views on the work of the Authority and the challenges ahead. The update event was well attended by over 360 delegates drawn across the whole of the financial services sector and designated businesses. The agenda and slides for the day can be found [here](#).

We wanted to thank those who attended for sharing your views on the event via Survey Monkey. The feedback was generally positive, agreeing that the update met the aim of

providing a good overview of what the Authority was up to. You also provided some useful views on what we should consider in future updates and sessions including:

- More sector specific sessions
- More information on the system roll-out and its impact on business
- Making it more relevant for smaller businesses
- More outcomes on visits, trends, issues
- Retaining the industry panel.

The survey also confirmed that the participants preferred the format of a half day event and would welcome some form of workshops following. All very useful feedback.

Delegates were also invited to interact with the presenters throughout the event by submitting questions via *sli.do*. [Continued on page 2]

Contents

Foreword by the CEO	1
General Update.....	2-3
Sector Updates.....	3-5
Banking	3
Insurance	4
Funds and Investment Services.....	5
Fiduciary Services	5
AML/CFT Update.....	6
Designated Businesses	6
Public Notices, Warnings and Sanctions Updates	7
Moving Forward.....	8
Community/Charity	8
Consultations	8

Keep Up-to-Date

Keep up-to-date with all of the latest developments from the Authority using the following methods:



WEBSITE



RSS FEED



TWITTER



LINKED-IN

FOREWORD BY THE CHIEF EXECUTIVE (CONTD.)

This too provided us with a great wealth of information on the issues that are important to you. Unfortunately, time pressures meant that not all questions could be answered during the event. However these questions are not lost and we will be seeking to respond to the main themes of the questions through other forums and publications by the Authority. For example, a number of questions were raised in relation to Client Asset Report Procedures and we will

shortly be publishing some feedback from our review of the first year filings of the Client Asset Report, stay tuned. Again thank you for your active participation in this inaugural event for the Authority.

Karen Badgerow
Chief Executive

GENERAL UPDATE

Annual Report 2017/18

The Authority released its **Annual Report for 2017/18** on 31 August 2018. Please refer to the **Press Release** and the report for information.

Crowdfunding Platforms: Limited Secondary Trading Facilities

On 23 August 2018, the Authority issued a **Consultation Paper** (CP18-04/T14) to seek views on the possible expansion of Class 6 Regulated Activity (Crowdfunding Platforms) to include secondary trading facilities. The consultation closed on 5 October 2018 and a **Consultation Response** was published on 28 January 2019. Subject to Tynwald approval, the amendments are expected to come into effect before the end of Q2 2019. Please refer to the **First** and **Second** Press Releases for more information.

Civil Penalties under the Beneficial Ownership Act 2018

On 24 September 2018, the Authority issued a **Consultation Paper** (CP18-05/T17) on proposals to introduce civil penalties for some contraventions of the Beneficial Ownership Act 2017. The consultation closed on 2 November

2018 and a **Consultation Response** was published on 30 November 2018. Please see the **First** and **Second** Press Releases for more information.

'Pension Matters' Consumer Survey

On 3 October 2018, the Authority published the results of the Pension Matters Consumer Survey conducted in July and August 2018. Key statistics are drawn out in the **Press Release**. The **Full Report** and **Infographic** are available for download.

Strategic Plan 2018-2021

On 1 November 2018, the Authority launched its **Strategic Plan 2018-2021**. The Authority is mindful of its role in the financial services community and the Strategic Plan reflects the framework to achieve its regulatory objectives.

Industry Update – 20 Nov 18

The Authority held its first Industry Update event at the Villa Marina, Douglas on 20 November 2018. Please see the **Foreword by the CEO** for more information.

GENERAL UPDATE (CONTD.)

Credit Unions: New Regulatory Regime and Amendment to Loan Interest Rate

On 5 November 2018, the Authority issued a **Consultation Paper** (CP18-06/T03) on the new regulatory regime for credit unions and amendment to the existing loan interest rate. A summary of responses will be issued in due course. Further information can be found in the **Press Release**.

Consultation on Fees 2019

On 15 November 2018, the Authority issued a **Consultation Paper** (CP18-09/T14) on proposed changes to fees payable to the Authority from 1

April 2019. The consultation closed on 11 January 2019 and a Consultation Response will be published shortly. Further information can be found in the **Press Release**.

2018 Industry Survey

The Authority **published the results** of its 2018 Industry Survey on 23 November 2018. The survey was facilitated by Island Global Research and the overall results of the survey were presented to the industry at the Authority's Industry Update on 20 November 2018. The **Executive Summary** and **Full Report** can be found on the **Publications Webpage** together with the **Action Plan**.

UPDATES FROM OUR REGULATED SECTORS (1/3)

BANKING

Quarterly Banking Statistics – 30 Jun 18

Deposit base figures and **quarterly banking statistics** for the period to 30 June 2018 were published on 20 September 2018 and 5 November 2018, respectively.

Quarterly Banking Statistics – 30 Sep 18

Deposit base figures and **quarterly banking statistics** for the period to 30 June 2018 were published on 13 and 21 December 2018, respectively.

Bank Recovery Planning Requirements Introduced

As part of the Isle of Man's phased introduction of a Bank Recovery and Resolution framework, the Authority introduced a requirement for locally-incorporated banks to prepare recovery plans, which seek to help the bank recover from

situations of severe financial stress. Where considered appropriate, the Authority will also obtain and review recovery plans for banks operating as branch structures in the Isle of Man, through engagement with home supervisory authorities. Further information can be found in the **Press Release** and **Bank Recovery and Resolution Webpage**.

Kaupthing Singer & Friedlander (Isle of Man) Limited ('KS&F') (In Liquidation)

On 17 December 2018, the Authority, as Scheme Manager of the Depositors' Compensation Scheme ('DCS') in relation to KS&F, published a **Notice** providing an update and guidance for claimants under the DCS and Early Payment Schemes 1 & 2 in respect of KS&F. Information will continue to be made available at: <https://www.dcs.im/>.

INSURANCE

QIS5 for Non-Life Insurers

On 18 September 2018, the Authority issued a [qualitative questionnaire](#) to each non-life insurer participating in the Fifth Quantitative Impact Study ('QIS5'). Responses were requested by 31 October 2018. Please see the [Press Release](#) for further details.

New RER_LT2 and RER_LT1 Forms

The Authority uploaded new versions of the RER_LT2 and RER_LT1 forms on 30 October 2018. The forms were amended following feedback from Quarter 2 submissions. The forms are accessible on the [Life Insurance > Returns/Forms](#) webpage. Further information can be found in the [Press Release](#).

Corporate Governance Code of Practice for Commercial Insurers ('CGC')

The Authority issued the [CGC](#) for commercial insurers on 7 November 2018. The CGC forms part of the Authority's regulatory development work through which the Authority proposes to introduce more detailed corporate governance requirements to complement the Island's existing framework, so that it remains up-to-date, appropriate to the characteristics of the Island's insurance sector, and consistent with international market developments and standards. Please see the [Press Release](#) for more information.

Insurance (Conduct of Business) (Long Term Business) Code 2018

On 7 November 2018, the Authority issued the [Insurance \(Conduct of Business\) \(Long Term Business\) Code 2018](#). Most of the requirements of the Code commenced on 1 January 2019.

Further information can be found in the [Press Release](#).

Insurance (Conduct of Business) (Non-Long Term Business) Code 2018

In addition to the Long Term Business Code, the Authority issued the [Insurance \(Conduct of Business\) \(Non-Long Term Business\) Code 2018](#) on 7 November. This Code commenced on 1 January 2019. Further information can be found in the [Press Release](#).

Insurance Intermediaries (Corporate Governance) (General Business) Code

On 9 November 2018, the Authority issued a [Consultation Paper](#) (CP18-08/T08) on the draft [Insurance Intermediaries \(Corporate Governance\) \(General Business\) Code](#). Please refer to the [Press Release](#) for more information.

Insurance (Group Supervision) Regulations 2019 and Corporate Governance Code of Practice for Designated Insurers

On 9 November 2018, the Authority issued a [Consultation Paper](#) (CP18-07/T13) on the draft [Insurance \(Group Supervision\) Regulations 2019](#) and the draft [Corporate Governance Code of Practice for Designated Insurers](#). Please refer to the [Press Release](#) for further information.

Public Disclosure for Authorised Insurers

On 17 December 2018, the Authority issued a [Discussion Paper](#) (DP18-03/T18) on the prospective development of a regulatory framework for the disclosure of information about Isle of Man insurers. The closing date for comments is 28 February 2018. Please refer to the [Press Release](#) for more information.

FUNDS AND INVESTMENT SERVICES

World Investor Week – Isle of Man

On 23 September 2018, the Authority issued a **Press Release** about World Investor Week 2018, which ran from 1 to 7 October 2018. The **launch event** was held at Ballakermeen High School Sixth Form Centre on 29 September 2018. Events covered a variety of topics, including **Cyber Risk Management for You and Your Business**. The Authority also prepared and released an **array of consumer leaflets** on a various issues. The Authority would like to thank all those involved in this year's campaign, including the financial advisers from Isle of Man-regulated firms who provided free half-hour sessions for consumers to get generic guidance on their financial plans.

Quarterly Fund Statistics – 30 Jun 18

The **quarterly fund statistics** for the period to 30 June 2018 were published on 20 September 2018.

Quarterly Fund Statistics – 30 Sep 18

The **quarterly fund statistics** for the period to 30 September were published on 6 December 2018.

Wealth Management Forum – 11 Dec 18

The inaugural meeting of the Wealth Management Forum was held on 11 December 2018. This initiative brings together licenceholders offering investment management with a view to exploring regulatory and business matters with the Authority.

FIDUCIARY SERVICES

ACSP Lunchtime Seminar – 13 Feb 19

The Authority will be presenting findings from its themed visits on non-monetary client assets to the **Association of Corporate Service Providers** ('ACSP') at lunchtime on 13 February 2019 in the Loch Promenade Church, Douglas. Please contact the ACSP if you are interested in attending.

Have feedback?

The Authority welcomes feedback on its 'Update' newsletter. Please click the following link to email us with any suggestions or comments you might have.

[Email Feedback](#)

UPDATES ON AML/CFT

GENERAL AML/CFT UPDATES

AML/CFT (Amendment) Code 2018

On 5 September 2018, the Department of Home Affairs issued an urgent consultation on a draft Anti-Money Laundering and Countering the Financing of Terrorism ('AML/CFT') (Amendment) Code 2018 to give effect to recommendations made in the Fifth Round Mutual Evaluation Report on the Isle of Man issued by MONEYVAL. The Amendment Code subsequently came into effect on 14 September 2018. The Authority would like to thank those who participated in the consultation during the short timeframe. A number of changes were made to the draft Amendment Code as a result of responses in order to provide further clarity on the new provisions. An updated version of the AML/CFT Handbook was published on 27 November 2018 (see below). Please refer to the [First](#) and [Second](#) Press Releases for information.

Updates to the AML/CFT Handbook

The Authority published amendments to the AML/CFT Handbook on 27 November 2018. Further details on the changes, including tracked change versions of the Handbook, can be found in the [Press Release](#).

Drop in sessions - 2018 AML/CFT Return

The Authority conducted a [series of drop in sessions](#) for regulated firms and designated businesses through October and November 2018 to answer queries over the AML/CFT Return.

MONEYVAL 5th Round Mutual Evaluation – Progress report 2018

On 16 November 2018, the Authority issued a [Press Release](#) about publication of MONEYVAL's follow-up report on steps taken by the Isle of Man to strengthen its AML/CFT framework following the 5th Round Mutual Evaluation in 2016. A copy of the report can be found [here](#).

AML/CFT Code 2019

The Authority has had a series of meetings with industry regarding an update to the AML/CFT Code. It is planned to consult on the AML/CFT Code 2019 in February 2019.

General Enquiries

For any queries regarding AML/CFT, please email aml@iomfsa.im.

DESIGNATED BUSINESSES

Registration update and visit cycle

There are currently 332 designated businesses registered under the Designated Businesses (Registration and Oversight) Act 2015. External accountants represent the largest sector, comprising 48% of registered entities. Any changes to businesses must be made at the time of the change on the [Designated Business Website](#) and any new designated businesses must register prior to business commencing. Please note that if there is a change to specified persons a new Business Details Form must be completed in addition to the relevant Specified Person Questionnaires. Additionally, businesses must inform the Authority if they cease trading.

PUBLIC NOTICES, WARNINGS AND SANCTIONS

DESIGNATED BUSINESSES (CONTD.)

The Authority, and the professional bodies to whom it has delegated oversight powers to, are continuing with the first round of visits to designated businesses throughout 2019.

General Enquiries

For any queries regarding designated businesses, please email dnfbp@iomfsa.im.

Public Notices

21 Dec 18: **Appleby Global Services (IOM) Limited (Licence Issue)**

10 Dec 18: **Bank of Scotland plc (Licence Surrender)**

6 Dec 18: **Northern Management Limited (Licence Issue)**

26 Oct 18: **Westwinds Financial Services Limited (Licence Surrender)**

25 Oct 18: **Sabre Management Services Limited (Licence Surrender)**

23 Aug 18: **Hanover Fiduciaries Limited (Licence Issue)**

Sanctions Updates

10 Jan 19: **Libya, Terrorism and Terrorist Financing, Somalia, Democratic Republic of the Congo, Eritrea, Ukraine, South Sudan, Iraq, Burma/ Myanmar**

28 Nov 18: **North Korea, ISIL (Da'esh) and Al Qaida**

2 Nov 18: **Chemical Weapons, Republic of Guinea, Burundi**

Public Warnings

7 Dec 18: **Bogus IOMFSA emails – survey@financial-survey.com**

Designated Business (revocation)

20 Dec 18: **Haven Administration Limited**

Designated Business (de-registrations)

17 Dec 18: **Catholic Agency for Overseas Development (CAFOD)**

13 Nov 18: **Bourne Capital 2 Ltd**

13 Nov 18: **Andrew Phair**

6 Nov 18: **Decentralized Limited**

31 Oct 18: **Jenny Wren on the Rock Limited**

29 Oct 18: **OrmCo Group Limited**

29 Oct 18: **Minerva Technologies Limited**

25 Oct 18: **MG Accountancy & Taxation Limited**

18 Oct 18: **Giles Morris**

9 Oct 18: **The Whiteknight Limited Partnership LP**

4 Oct 18: **CH Services Limited**

4 Oct 18: **IPSP Limited**

4 Oct 18: **ISBD Limited**

4 Oct 18: **Previs Limited**

19 Sep 18: **RLF Limited**

6 Sep 18: **The Orion Foundation Limited**

29 Aug 18: **Barclays Private Clients International Limited**

MOVING FORWARD

COMMUNITY AND CHARITY INITIATIVES

Charity Fundraising Initiatives

The Authority's staff raised over £3,900 in donations during the year for the Authority's nominated charity for 2018, **Naseem's Manx Brain Tumour Charity**. Staff also arranged a fourth collection of food items for the Isle of Man Food Bank in time for Christmas 2018. The Authority's nominated charity for 2019 is **Bridge the Gap**.

CONSULTATIONS

Consultation Hub – <https://consult.gov.im>

Consultations undertaken by the Authority are hosted on the Isle of Man Government's **Consultation Hub**. There is a Mailing List Signup for users to be alerted when new consultations are published. The Authority continues to publish details of consultations in its website **Press Releases**, which can be monitored by **RSS Feed**. Consultations undertaken by the Authority since January 2017 can be found **here**. Current consultations that may be of interest to regulated entities are listed in the table below.

CURRENT CONSULTATIONS

DEPT / REF	CONSULTATION TOPIC	STATUS	LINK / CONTACT
IOMFSA CP18-07/T13	Group Supervision Consultation Paper	9 Nov 18 to 31 Jan 19	Cheryl McGinley Cheryl.McGinley@iomfsa.im
IOMFSA CP18-08/T08	Corporate Governance Requirements for Insurance Intermediaries	9 Nov 18 to 31 Jan 19	Paul Ellison Paul.Ellison@iomfsa.im
IOMFSA DP18-03/T18	Public Disclosure for Authorised Insurers	17 Dec 18 to 28 Feb 19	Alan Rowe Alan.Rowe@iomfsa.im

ISLE OF MAN FINANCIAL SERVICES AUTHORITY

P O Box 58, Finch Hill House
Bucks Road, Douglas
Isle of Man, IM99 1DT

Phone: +44 (0)1624 646000
Fax: +44 (0)1624 646001
E-mail: info@iomfsa.im
Website: www.iomfsa.im



RSS FEED



TWITTER



LINKED-IN