

Questions and Answers raised at the Authority's AML/CFT Update Webinar - 27 July 2021

This document responds to questions raised by participants attending the Authority's Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) handbook webinar.

1. Where is the supplemental documentation based on the Authority's website?

The supplemental information document was published on Friday 30th July, and can be found on the [AML/CFT Requirements and Guidance page](#).

2. What date is the sector guidance being published?

The Authority are aiming to publish the sector specific guidance throughout August, however the publication schedule has not yet been finalised. Press releases will be issued when sector specific documents are published, so if you're subscribed to the Authority's RSS feed you will receive notification. We would recommend checking the website on a weekly basis.

3. What is the Authority's envisioned lead/transition time for the licenceholders to implement the new guidance?

It is not a formal requirement to follow guidance (only to comply with the Code); some entities may explicitly refer to Guidance in policies, procedures and training notes whereas others may not. The Authority is also aware that even something as seemingly simple as changing references in documents can take a substantial amount of time; therefore there is no required 'implementation' date. What the Authority would expect to see is consideration of the new Handbook and whether any changes are needed by relevant persons as early as is practical, with an accompanied document plan to make the required changes.

4. Will the Authority be updating *all* sector guidance?

All sector specific guidance is being updated. For some documents it will be only minor changes, such as updating references to sections of the Handbook however for others a more substantial rewrite may be required. A summary of the changes will be in the version history of the document.

5. Is industry specific guidance being issued without consultation?

For sector specific guidance the Authority works with the appropriate industry body/bodies (where applicable). Please note the Authority does not do this if the changes are only minor 'housekeeping' type updates (e.g. references to sections of the Handbook).

Feedback on guidance is always welcomed.

6. Can you provide a summary of material changes or show tracked changes?

The new Handbook is a complete rewrite of the old Handbook, therefore no tracked changes document is available. The webinar provides an overview of the changes that have taken place, but as discussed in the webinar, principally the change is to the format. It is not possible to provide a summary of changes as they are throughout the whole document.

7. With the guidance becoming "less prescriptive" and the removal of appendices, pro forma documents and detailed guidance – this leaves the Handbook being open to increased interpretation by licenceholders – taking differing approaches. Will the Authority be willing to provide guidance/advice to a licence holder's approach if requested?

All relevant persons have the legal requirement to comply with the Code, but how they do that is a matter for each relevant person. The adoption of a risk based approach will mean that there are differences in approach. The Authority are able to discuss with relevant persons that have particular queries, however we cannot provide detailed guidance or 'approve' policies and procedures.

8. Does the Authority anticipate issuing amendment documents to the guidance as the 'Living Document' is updated (much like legislation)? This is important as Guidance is persuasive in the court and it is important that the Authority, companies and courts can understand the position of guidance at a particular point in time.

The Authority will set up an area on website to do this going forward. If older versions are required from previous years please get in touch with us.

9. Noting the changes to PEP declassification within the handbook will there be a further break down of what is expected to be given in the release of Friday's guidance document? What is the Authority's view on the island

moving to a UK declassification regime or a more conservative approach like Guernsey?

The Handbook's stance that 'once a PEP, could always remain a PEP' has not altered between the old Handbook and the current one, and this is in line with FATF's stance (detailed in their [guidance on PEPs](#)). Relevant persons should continue to take a risk based approach regarding whether an individual should remain a PEP.

10. Given the full refresh to the handbook do we consider it appropriate in today's society to still mandate identification of Gender (noting male/female and Unknown). This is important as this contradicts a number of financial services diversity and inclusion values. Again, noting the legal distinctions between Sex and Gender

References to "gender" within the Handbook arise from the use of the term within primary legislation (i.e. Proceeds of Crime Act 2008 and Anti-Terrorism and Crime Act 2003). The Authority notes your point and will suggest this is something that can be looked into further when updating the primary legislation.

11. Will guidance be released on Crypto?

There is already sector specific guidance for DNFBPs conducting virtual currency business published, an updated version of this will be published. The Authority also have published some [questions and answers about Initial Coin Offerings](#). If anything further is required please let us know.

For further queries and/or feedback to the Authority on any of the information provided in this document please contact us at aml@iomfsa.im