

COMMERCIALLY EXPOSED PERSONS

What is a Commercially Exposed Person (“CEP”)?

A CEP is an individual who is associated with a specific industry or activity which typically has a higher exposure to bribery and corruption, which, in turn, may increase the ML/FT/FP risk posed to supervised entities where such individuals are affiliated to a customer. An individual would be regarded as a CEP due to their position as a senior executive of a commercial enterprise in an industry posing a higher risk of financial crime. For example, a Board member, senior executive, or person with decision-making power or influence in one of the listed occupational activities would be considered a CEP. However, an administrator or employee with no decision-making power or influence would not be classed as a CEP. A CEP higher risk industry, for example, could be:

- Arms / weapons trading, dealing and defence;
- Casinos, gambling and betting;
- Construction / development industry;
- Dating / adult entertainment industry;
- Decision-making members of high-profile sporting bodies;
- Import / export companies / industry;
- Money services businesses;
- Oil and gas industry;
- Pharmaceuticals and healthcare;
- Precious metals and / or stones mining and / or trading;
- Shipping and transport of goods; and
- Virtual asset service providers.



Background

The CEP term was introduced, and formal data collection began in the 2023 AML/CFT Annual Statistical Return. Please see the Authority’s [AML/CFT Annual Statistical Return Guidance](#) which is a living document for further guidance on completing the Return in STRIX.



Since the introduction of the AML/CFT Annual Statistical Return, the Authority has sought data on different risk aspects surrounding customers of supervised entities, including: -

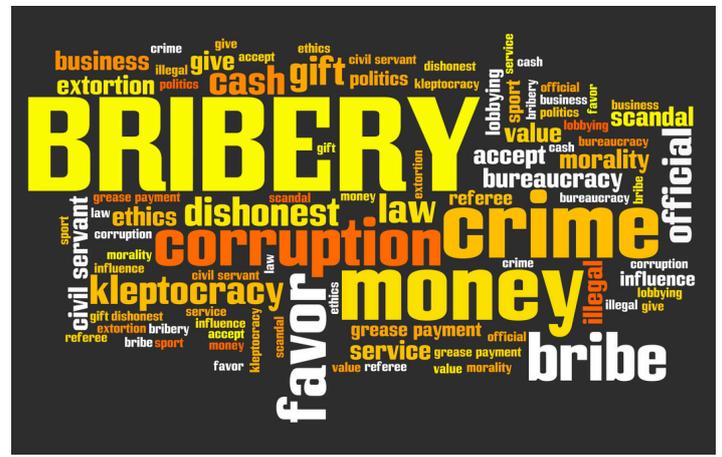
- overall risk ratings;
- services / products provided;
- domestic and foreign PEP connections;
- service / product delivery;
- involvement of third parties;
- jurisdictional connections.

These factors all form part of a supervised entity’s risk assessment of their customer, and are linked to paragraph 6 of the Code. The nature and activity of a customer (and connected persons) is another key component in a customer risk assessment under paragraph 6 of the Code, and the data which has historically been collected on this has been limited to broad categories (e.g. charitable, trading, holding, etc.). In order to appropriately risk assess firms, sectors, and supervised entities as a whole, more meaningful and risk-focused data is required; the introduction of the CEP concept and related data collection was to this end.

Since being introduced, the data collected has been valuable in both supervisory oversight and risk assessment functions, as well as informing the Island’s National Risk Assessment and associated Topical and Sectoral Risk Assessments. In 2024, 14,830 customers were reported as being associated with CEPs.

Reporting Sector(s)	Arms / weapons trading, dealing and defence	Casinos, gambling and betting	Construction / development industry	Dating / adult entertainment industry	Decision-making members of high profile sporting bodies	Import / export companies / industry	Money services businesses	Oil and gas industry	Pharmaceuticals and healthcare	Precious metals and stones mining and trading	Shipping and transport of goods	Virtual asset service providers	Total
Life - Insurance	523	23	1,910	0	4	78	7	334	1,224	1,321	39	2	5,465
TCSP	11	582	803	13	16	240	99	359	357	123	195	87	2,885
Banking and Credit Union	25	570	889	0	30	12	61	442	224	58	289	2	2,602
DNFBPs	2	321	799	17	4	60	127	100	221	53	231	50	1,985
Non-Life - General Insurance Intermediary	2	65	252	0	1	5	13	15	15	6	37	1	412
Non-Life - Commercial and Captive Insurance	4	1	2	0	0	0	0	3	3	1	304	0	318
Pensions	1	25	34	0	2	5	5	73	69	20	28	0	262
Money Transmission Services	0	249	0	0	0	0	0	0	0	0	0	0	249
Asset and Invest. Mgr, Financial Advisor & Services to CISs	4	50	54	1	2	24	6	51	7	3	7	0	209
Total	573	1,743	4,617	24	56	462	293	1,402	2,680	1,750	1,086	144	14,830

Higher risk industries were introduced in the Authority's AML/CFT Handbook ("the Handbook") in August 2008, specifically including but not being limited to, oil, construction or arms sales. The Handbook in July 2021 re-draft included 9 sectors that are commonly associated with higher corruption risk, with the Handbook update in February 2025 providing further detail of the aforementioned 12 sectors and terminology regarding CEPs. The Authority is working on further Handbook and other relevant AML/CFT guidance updates for later in the year which will provide additional guidance and clarity on CEPs.



International Perspective on Higher Risk Industries



FATF Guidance PEPs (R12 and R22) June 2013

“has a prominent public function in sectors known to be exposed to corruption levels, such as the oil and gas, mining, construction, natural resources, defence industries, sports, gaming, gambling sectors.”

FATF Emerging Terrorist Financing Risks October 2015

References “Virtual asset”
References “Money services”
References “Arms / weapons trading, dealing and defence”
References “Oil and gas industry”

FATF Money Laundering Through the Physical Transportation of Cash October 2015

References “Money services”
References “Import/export companies/industry”
References “Shipping and transport of goods”

FATF Detecting, Financial Flows from Human Trafficking July 2018

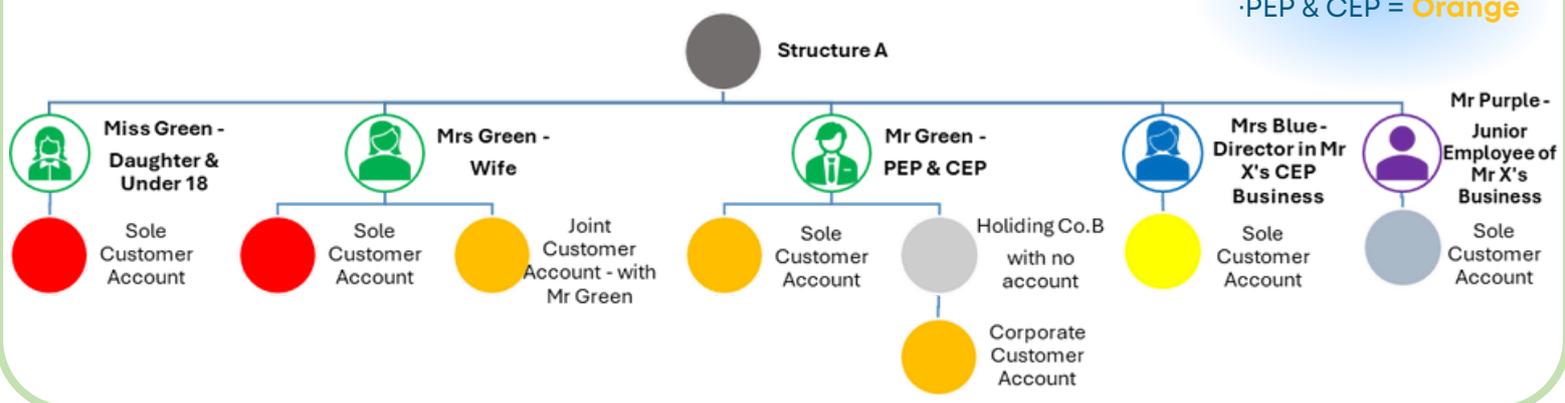
References “Virtual asset”
References “Money services”
References “Adult Entertainment Industries”

FATF Detecting, Disrupting and Investigating Online Child Sexual Exploitation 2025

References “Virtual asset”
References “Money services”
References “Adult Entertainment Industries”

A simple guide to understanding if a customer account is associated with a PEP or a CEP:

- PEP = Red
- CEP = Yellow
- PEP & CEP = Orange



Please contact amlpolicy@iomfisa.im with any questions, suggestions or area of guidance you feel can be enhanced, and thoughts on practical usage and implementation. The Authority continues to welcome constructive feedback.