



ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

Lught-Reill Shirveishyn Argidoil Ellan Vannin

Consultation Paper

Financial Services (Miscellaneous Provisions) Bill

CP25-01

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Glossary

Authority	Isle of Man Financial Services Authority
CISA08	Collective Investment Schemes Act 2008
Clause ('c.')	Clause (of the draft Bill)
Controlled Function	Any of the Controlled Functions for a regulated entity set out in Appendix 2 of the Authority's Regulatory Guidance on Fitness and Propriety ¹
DBROA15	Designated Businesses (Registration and Oversight) Act 2015
Draft Bill	Draft Financial Services (Miscellaneous Provisions) Bill V06
F&P	Fitness and Propriety
FSA08	Financial Services Act 2008
IA08	Insurance Act 2008
NDA	Non-Disclosure Agreement
OFT	Isle of Man Office of Fair Trading
Paragraph ('p.')	Paragraph (of a Schedule to an Act)
Schedule ('Sch.')	Schedule (to an Act)
Section ('s.')	Section (of an Act)

¹ [2023 VERSION REGULATORY GUIDANCE - Fitness and Propriety \(iomfsa.im\)](https://iomfsa.im/2023-VERSION-REGULATORY-GUIDANCE-Fitness-and-Propriety)

1. Executive Summary

1.1 Overview

This Consultation Paper is issued by the Isle of Man Financial Services Authority ('the Authority'), which is the regulatory body for financial services in the Isle of Man. This consultation follows a Discussion Paper on the Financial Services (Amendments) Bill in 2019.²

1.2 Purpose

The purpose of this Consultation Paper is to obtain views in relation to the draft **Financial Services (Miscellaneous Provisions) Bill** ('Draft Bill'). The Draft Bill proposes amendments to the following Acts of Tynwald:

- Financial Services Act 2008 ('FSA08')
- Collective Investment Schemes Act 2008 ('CISA08')
- Insurance Act 2008 ('IA08')
- Designated Businesses (Registration and Oversight) Act 2015 ('DBROA15').

The proposed amendments seek to update the Acts and cover various matters. They are intended clarify and enhance the Isle of Man's regulatory and oversight frameworks, reflect changes to international standards, and safeguard the Island's reputation as a well-regulated jurisdiction for financial services. [Section 3](#) of this Consultation Paper provides further detail on the proposed amendments in a tabular format. Copies of the Acts as they would read amended by the Draft Bill are included in the appendices.

In carrying out its functions, the Authority needs to operate in a manner consistent with principles of good regulation, including maintaining the competitiveness of the Island's business offering and minimising the cost of regulation where possible. This consultation invites all interested persons to provide their views on the Draft Bill. This will help the Authority ensure the proposed changes to legislation are effective and proportionate and, as far as possible, does not adversely affect the Island's competitiveness.

The Authority invites all interested persons to consider the information within this consultation and submit feedback before the closing date. All views are welcome, particularly those that include constructive suggestions or evidence to support views.

1.3 Interested persons

The proposals in this Consultation Paper are relevant to all regulated entities under the FSA08 and IA08, collective investment schemes under the CISA08 and designated businesses registered under the DBROA15. The proposals are also relevant to functionaries and advisers to those persons.

The Authority has contacted the recipients listed in [Appendix A](#) to notify them of this Consultation Paper. Feedback from other interested persons is welcome.

² [Discussion Paper - Financial Services \(Amendments\) Bill - 1 September 2019](#)

1.4 How to respond

This Consultation Paper has been published on the Authority's [Consultations webpage](#) and the [Isle of Man Government Engagement Hub](#).

Responses can be submitted by email to Policy@iomfsa.im and, if in an attachment, preferably in a format where the content is easy to extract for analysis (e.g. Word). Alternatively, you can submit responses by post to:

Miss Casey Houareau
Policy Adviser – Policy & Risk Division
Isle of Man Financial Services Authority
PO Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 1DT

Please see [Section 2 \(Consultation Process\)](#) for more information.

1.5 Next steps

Following closure of the consultation period on **8 August 2025**, the Authority will review the responses received and publish a Feedback Statement on the Authority's website and the Isle of Man Government Engagement Hub.

1.6 Questions

If you have a question in relation to this consultation, please contact the Authority's Policy & Risk Division by email to Policy@iomfsa.im or telephone on +44 1624 646000.

2. Consultation Process

2.1 The Authority's regulatory objectives

The Authority's regulatory objectives are set out in section 2(2) of the FSA08 as —

- (a) securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- (b) the reduction of financial crime; and
- (c) 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.

Proposals in this consultation relate to all three objectives.

2.2 Basis for consultation

The Authority has issued this Consultation Paper to obtain views on the Draft Bill and proposed amendments to the FSA08, CISA08, IA08 and DBROA15.

2.3 Consideration of consultation responses

Open and constructive dialogue with stakeholders is essential for the successful development of proposals. Feedback will help the Authority reach an informed decision on the proposals and manner of implementation.

Respondents are asked to note the following when responding to this consultation:

- Submissions received by the closing date will be considered but may not necessarily result in a change to the proposals following a review of all responses received.
- Professional bodies, trade associations and other representative groups should provide a summary of the persons they represent, and the method used to obtain input.
- Anonymous submissions will not be considered or included in the Feedback Statement.

2.4 Confidentiality and data protection

Information you provide in your consultation response may be published in full or in summary form. In addition, such information, including personal data, may be subject to publication or disclosure in accordance with information access regimes (e.g. Freedom of Information Act 2015 and the Data Protection Act 2018).

If you wish your response to remain confidential, please explain why confidentiality is necessary. Requests will be granted if appropriate in the circumstances. An automatic confidentiality disclaimer (e.g. generated by an IT system) will not, of itself, be regarded as a specific request for your response to be kept confidential.

The Authority is registered with the Information Commissioner as a data controller under Isle of Man data protection legislation. It collects and processes personal data to carry out its functions under relevant legislation and may share personal data with other parties where there is a legal basis for doing so. Further information on how the Authority collects and processes personal data can be found in the [Privacy Notice](#) on the Authority's website.

3. Proposals

3.1 Background

The Authority has functions under various Acts of Tynwald. From time-to-time, those Acts require amendment. To use resources efficiently, the Authority is seeking amendments to its four main Acts through one Financial Services (Miscellaneous Provisions) Bill:

- Financial Services Act 2008 ('FSA08')
- Collective Investment Schemes Act 2008 ('CISA08')
- Insurance Act 2008 ('IA08')
- Designated Businesses (Registration and Oversight) Act 2015 ('DBROA15').

The Draft Bill also proposes minor amendments to the following Acts:

- Companies Act 1931 ('CA31')
- Bank (Recovery and Resolution) Act 2020 ('BRRA20').

The Gambling Supervision Commission will hold a separate consultation in relation to proposed amendments in the Draft Bill relating to the following Acts:

- Casino Act 1986 ('CA86')
- Online Gambling Regulation Act 2021
- Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018.

The Authority's functions under other Acts, such as the Retirement Benefits Schemes Act 2000, are outside the scope of this review.

The Authority issued a Discussion Paper on a Financial Services (Amendments) Bill in September 2019 to communicate its policy intention to amend the four Acts and to provide information relating to the matters likely to be included within those amendments.³ The Discussion Paper informed stakeholders of potential changes. Feedback helped the Authority refine the proposals before the Draft Bill was prepared. A Feedback Statement was issued in December 2019, which set out the next steps to prepare and consult on a Draft Bill.⁴

Preparation of the Draft Bill took much longer than originally anticipated. This was due to the impact of the COVID-19 pandemic on the Isle of Man Government's Legislative Programme and subsequent reprioritisation of all Bills for the remainder of the current programme.

3.2 Proposed amendments

Given that Acts of Tynwald are amended infrequently, the nature of amendments within the Draft Bill varies from important changes to minor / housekeeping matters. Some matters are general in nature or pertinent to several Acts, and others are more specific. This Consultation Paper sets out the most important matters in greater detail. Matters that are less material (such as amending typographical errors or updating terminology) are given less focus.

All proposed changes to the FSA08, CISA08, IA08 and DBROA15 are listed and explained in the table in the **Table of Proposed Amendments** ([Appendix B](#)). The changes in the table follow the order of the clauses in the Draft Bill. Each clause of the Draft Bill seeks to amend an existing section of an Act or inserts a new one.

The proposed changes are also shown in copies of the following:

- [Appendix C](#) – Draft Financial Services (Miscellaneous Provisions) Bill
- [Appendix D](#) – Draft Financial Services Act 2008 (As Amended)
- [Appendix E](#) – Draft Collective Investment Schemes Act 2008 (As Amended)
- [Appendix F](#) – Draft Insurance Act 2008 (As Amended)

³ [Discussion Paper - Financial Services \(Amendments\) Bill - 1 September 2019](#)

⁴ [Feedback Statement Amendment Bill November 2019 \(gov.im\)](#)

- [Appendix G](#) – Draft Designated Businesses (Registration and Oversight) Act 2015 (As Amended)

The ‘as amended’ versions of the Acts show the changes as they would appear. This helps show the context of each amendment. Any issues identified with the current draft of those ‘as amended’ versions are shown in comment bubbles, not inline revisions. This has been done so as not to edit the effect of the current Draft Bill.

Care has been taken for this Consultation Paper to minimise drafting errors in the Draft Bill and ‘as amended’ versions of the Acts, however they are working documents. The post-consultation process will include additional drafting and proofing work before the Draft Bill is finalised ready to enter the branches of Tynwald for the legislative process to begin.

Whilst included in the Draft Bill, the proposed amendments to the Casino Act 1986, the Online Gambling Regulation Act 2001 and the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018 will be consulted on separately by the GSC.

4. Impact

The amendments proposed in the Draft Bill are intended to clarify and enhance the Isle of Man’s regulatory and oversight frameworks. They aim to align the Island’s legislation with evolving international standards and reinforce its standing and well-regulated jurisdiction for financial services.

As outlined in [Section 3 \(Proposals\)](#), the scope and significance of the proposed changes vary. Some amendments are intended to harmonise existing provisions promoting greater consistency and coherence across the legislative framework. Others, such as enhancements to the Authority’s ability to take regulatory action in lieu of criminal proceedings are focused on improving the efficiency, effectiveness, and proportionality of regulatory responses, while ensuring continued alignment with global best practices.

Given the broad application of the legislation across multiple sectors and business sizes, the impact of the proposals will differ depending on the nature and scale of each entity. This consultation provides stakeholders with an important opportunity to review the proposed changes and offer feedback to help ensure that the final legislation is both effective and proportionate.

5. Questions

Question 1

Do you agree with the proposed amendments to the **Financial Services Act 2008**? Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Question 2

Do you agree with the proposed amendments to the **Collective Investment Schemes Act 2008**? Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Question 3

Do you agree with the proposed amendments to the **Insurance Act 2008**? Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Question 4

Do you agree with the proposed amendments to the **Designated Businesses (Registration and Oversight) Act 2015**? Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Question 5

Are there any areas of the **Financial Services Act 2008**, **Insurance Act 2008**, **Collective Investment Schemes Act 2008** or **Designated Businesses (Registration and Oversight) Act 2015** that have not been covered in this consultation that you think should be considered? Please provide any information you think is relevant.

Question 6

Do you have any **comments on any other aspect of the Draft Bill** not covered in your earlier responses (e.g. drafting clarity, transitional arrangements, or regulatory impact)?

Question 7

Do you have **any other comments** in response to this consultation?

6. Next Steps

Following closure of the consultation period on **8 August 2025**, the Authority will review the responses received and publish a Feedback Statement on the Authority's website and the Isle of Man Government Engagement Hub.

Appendix A – List of Specific Recipients

- Alliance of Isle of Man Compliance Professionals
- Association of Chartered Certified Accountants (as designated business oversight body)
- Association of Chartered Certified Accountants (Isle of Man branch)
- Association of Corporate Service Providers
- Chartered Governance Institute (Isle of Man branch)
- Chartered Institute for Securities and Investment (Isle of Man branch)
- Finance Isle of Man
- Financial Planners & Insurance Brokers Association
- Institute of Certified Bookkeepers (as designated business oversight body)
- Institute of Chartered Accountants in England and Wales (as designated business oversight body)
- Institute of Directors (Isle of Man branch)
- Institute of Financial Accountants (as designated business oversight body)
- Insurance Institute of the Isle of Man
- Isle of Man Association of Pension Scheme Providers
- Isle of Man Bankers Association
- Isle of Man Captive Association
- Isle of Man Chamber of Commerce
- Isle of Man Government, Cabinet Office
- Isle of Man Government, Department for Enterprise
- Isle of Man Government, The Treasury
- Isle of Man Insurance Association
- Isle of Man Law Society
- Isle of Man Law Society (as designated business oversight body)
- Isle of Man Society of Chartered Accountants
- Isle of Man Wealth & Fund Services Association
- London Institute of Banking and Finance (Isle of Man branch)
- Manx Actuarial Society
- Society of Trust and Estate Practitioners (Isle of Man branch).

Appendix B – Table of Proposed Amendments

1. Amendments to the Financial Services Act 2008

Clause	Amending FSA08	Explanation
c.1	N/A	<ul style="list-style-type: none"> Short Title of the Draft Bill.
c.2	N/A	<ul style="list-style-type: none"> Commencement Provisions of the Draft Bill.
c.3	N/A	<ul style="list-style-type: none"> Gives effect to the amendments to the FSA08.
c.4	N/A	<ul style="list-style-type: none"> General amendment to replace references to ‘sub-paragraph’ with ‘subparagraph’.
c.5	s.4 (general prohibition), FSA08	<ul style="list-style-type: none"> This would amend s.4 FSA08 to state explicitly that the general prohibition to carrying on regulated activity without a licence also applies when a licence is suspended.
c.6	s.9 (revocation or suspension of a licence), FSA08	<ul style="list-style-type: none"> The requirement for a licenceholder to be fit and proper to carry on regulated activity is a continuing requirement and is not only relevant at the time of application. This would amend s.9 FSA08 to make this point explicit by clarifying that a possible reason for revocation or suspension of a licence is because the licenceholder is no longer fit and proper.
c.7	s.10 (fitness and propriety), FSA08	<ul style="list-style-type: none"> This would amend s.10 FSA08 to clarify that the licenceholder must satisfy the Authority as to the fitness and propriety of a person to be appointed as a director or key person, or to become a controller, of the licenceholder – even if that person was previously approved. This would fully align the provision with the Regulatory Guidance on Fitness and Propriety (4 July 2024) and the associated fitness and propriety assessment processes for Controlled Functions within regulated entities.
c.8	s.11 (warning notices), FSA08	<ul style="list-style-type: none"> Currently, the power to issue a warning notice applies only to individuals who are (or have been) directors, controllers or key persons of a permitted person. Warning notices state that the Authority has grounds to believe that activities or circumstances specified in the notice are prejudicial to the individual’s F&P (s.11(2) FSA08). This would amend s.11 FSA08 to widen the warning notice power to include (only if appropriate) individuals who are, or have been, employees of a permitted person (defined in s.35(1) FSA08 as former and current licenceholders and persons who are exempt from the provisions of the FSA08).

Clause	Amending FSA08	Explanation
		<ul style="list-style-type: none"> The reason for the change is that the Authority sometimes faces situations where it may be appropriate to issue a warning notice to an individual who holds (or previously held) a non-Controlled Function with a permitted person. The Authority would not wish to review such an individual's F&P as a matter of course, nor have them treated as key persons etc. However, without the ability to issue a warning notice, the only action the Authority can take against the individual is to prohibit them from undertaking regulated activity. Prohibition is a public regulatory sanction and has a significant impact on individuals. A decision to prohibit an individual is not taken lightly. An individual who is not in a Controlled Function may have been involved in regulatory failure, but their actions may not warrant a prohibition. A warning notice that their actions are considered prejudicial to their F&P would allow the Authority to take a more proportionate response. This provision would also amend s.11(7)(b) FSA08 to permit the Authority to disclose the circumstances surrounding the warning notice to certain persons who — <ul style="list-style-type: none"> have received an employment application from the individual who is subject to the warning notice, and where the individual, if successful, would be in a Controlled Function or otherwise employed by the person. <p>This can only take place if the warning notice is still in effect.</p> No changes are proposed to: the right of appeal; the maximum permitted time the warning can remain in effect (three years years); and the warning remains a discrete (rather than public) matter.
c.9	s.12 (guidance), FSA08	<ul style="list-style-type: none"> Section 12 FSA08 currently provides for the issuance of guidance (which is non-legislative), which can cover various matters, including how to comply with legislation. However, there is currently no provision in the FSA08 to indicate the effect of complying with guidance (or not). This would amend s.12 FSA08 to explain the effect of complying with guidance (or not). The provision enables (subject to certain conditions) reliance on the guidance and the guidance itself to be admissible in civil or criminal proceedings.
c.10	s.13 (public statements), FSA08	<ul style="list-style-type: none"> Section 13 FSA08 currently covers the issue of public statements by the Authority concerning any matter relating to a regulated activity or persons carrying on a regulated activity etc, if in the public interest to do so. This would amend s.13 FSA08 to allow the Authority to issue a public statement in respect of any other matter or persons relating to any of the Authority's functions under any enactment.

Clause	Amending FSA08	Explanation
c.11	s.16 (civil penalties), FSA08	<ul style="list-style-type: none"> • International standards require financial services regulators to have the power to impose civil penalties (i.e. financial penalty) not only on regulated entities but also on certain individuals. This is essential for maintaining an effective sanctions regime and a credible deterrent. Currently, the Authority has the power to impose civil penalties on regulated firms, designated businesses, and, in limited cases, certain individuals. The CISA08, IA08 and DBROA15 already contain penalty provisions that could be applied to certain individuals, however the FSA08 (which covers most financial services) does not. The proposed revisions would help ensure a coherent and consistent framework across all core regulatory legislation and provide the statutory basis for new secondary legislation, which would set out a revised civil penalty framework that applied to regulated entities, designated businesses and certain individuals. • This would amend s.16 FSA08 to enable the Authority to impose civil penalties on individuals who currently hold or have previously held key roles within regulated entities under the FSA08. • In addition to enabling civil penalties for individuals, the proposed amendments aim to harmonise civil penalty provisions across the FSA08, CISA08, IA08 and DBROA15. This is intended to promote a more consistent and coherent regulatory approach. • The proposed changes would enable the Authority to impose civil penalties on individuals who hold or have held key roles within regulated entities, such as directors and/or employees with significant decision-making power or control, where there is evidence of misconduct or regulatory failings. Importantly, these powers are intended to provide a proportionate enforcement tool and potential alternative to prohibition, enhancing the Authority's existing regulatory toolkit and fitting in with the Authority's overall enforcement approach of being reasonable, proportionate, and appropriate. They would also bring the Isle of Man's regime in line with international standards and practices in other jurisdictions. • A decision to impose such a civil penalty would follow the Authority's Enforcement Decision-Making Process ('EDMP') and the governance and procedural safeguards it affords. Such decisions would also be subject to appeal to the Financial Services Tribunal. • The draft Bill sets out the statutory basis for revised civil penalty provisions, while the detailed operation of the civil penalty framework (including thresholds, procedural safeguards, and guidance) would be developed through secondary legislation, which would be subject to a separate consultation in due course. Any revised civil penalty regulations or orders would be subject to their own Tynwald process. • Please see the Revised Civil Penalty Provisions – Questions & Answers document for more information.

Clause	Amending FSA08	Explanation
c.12	New s.23A (payments of persons appointed under section 21, 22 or 23), FSA08	<ul style="list-style-type: none"> The proposed new s.23A FSA08 would clarify the Authority's powers to agree funding arrangements for certain appointments of professionals (e.g. receiver, business manager, reporting accountants) in order to fulfil statutory roles in respect of licenceholders, as may be prescribed in secondary legislation.
c.13	s.25 (compensation schemes), FSA08	<ul style="list-style-type: none"> This would amend s.25 FSA08 to broaden the Treasury's regulation-making powers to allow those regulations to require deposit takers (banks) to submit data to the Authority in respect of the depositors' compensation scheme (currently this is achieved through the Financial Services Rule Book 2016). The amendment would allow such regulations to specify fees payable to the Treasury for the costs of software design and administration in respect of this data.
c.14	s.26 (action for damages), FSA08	<ul style="list-style-type: none"> This would amend s.26 FSA08 to clarify that 'prescribed' means 'in an order by the Authority'. The amendment would clarify that the classes of persons who may be excluded from bringing a civil action under s.26 FSA08 must be prescribed by order made by the Authority. Such an Order would be subject to Tynwald approval under the procedure set out in s.45(3) FSA08, ensuring parliamentary oversight. There is currently no Order prescribing excluded persons, and the Authority has no intention to make such an Order at the current time.
c.15	New s.29A (Liability in respect of trusts), FSA08	<ul style="list-style-type: none"> The proposed new s.29A FSA08 is a housekeeping matter to incorporate s.3 (liability in respect of trusts) of the Fiduciary Services Act 2005 into the FSA08. This is the sole remaining provision in the Fiduciary Services Act 2005. If the change is made, that Act can be repealed.
c.16	New s.31A (Freedom of Information Act 2015), FSA08	<ul style="list-style-type: none"> The proposed new s.31A FSA08 would clarify that, where disclosure of information is prohibited under the FSA08 (i.e. where information is 'restricted information'), such information is exempt from disclosure as 'absolutely exempt information' for the purposes of s.27 (information the disclosure of which is restricted by law) of the Freedom of Information Act 2015. It is based on s.38 (Freedom of Information Act 2015) of the Beneficial Ownership Act 2017.
c.17	s.32 (appeals to the Financial Services Tribunal), FSA08	<ul style="list-style-type: none"> Proposes to remove the issue of a direction under p.2, Sch.2 FSA08 (direction to supply information to the Authority) as a decision that may be appealed to the Financial Services Tribunal. Appeals purely against regulatory decisions to supply information (as opposed to supervisory or enforcement decisions) can reduce the effectiveness of the regulatory framework, compromise regulatory objectives and

Clause	Amending FSA08	Explanation
		<p>disadvantage consumers. Such information is required to enable the Authority to exercise its functions and fulfil its regulatory objectives.</p> <ul style="list-style-type: none"> • Appeals (which may be made at no cost to the appellant) have been used against requirements to supply information in some recent cases to delay and/or frustrate regulatory investigations and enforcement actions. This has led to increased time and cost in supervising and enforcing compliance with regulatory requirements for a small number of entities. • There would continue to be a legal safeguard for recipients of a direction to supply information to the Authority, as they would still be able to appeal to the court (at their cost) if they believe a direction is outside of the Authority's powers or has been exercised in bad faith.
c.18	s.33 (statutory indemnity), FSA08	<ul style="list-style-type: none"> • The amendment would insert an explicit reference in s.33 FSA08 to the Authority's functions under the Bank (Recovery and Resolution) Act 2020 ('BRRA20') to clarify that they are covered by the statutory indemnity. • Currently s.15, BRRA20 applies s.33 FSA08 to the BRRA20 and provides for an amended definition of 'specified enactment'. • The amendment would also reflect changes to Sch.4 FSA08 in relation to the Financial Services Ombudsman (see c.28).
c.19	s.35 (registers), FSA08	<ul style="list-style-type: none"> • The proposed amendment to s.35 FSA08 would require the Authority to maintain details of former licenceholders on its register for 15 years. This would replace the current requirement, which is without limit. • The proposed change seeks to provide greater certainty for the Authority and former licenceholders as to the timeframe in which details of former licenceholders would remain on the register.
c.20	s.40 (offences in connection with information), FSA08	<ul style="list-style-type: none"> • The amendment creates a new offence for persons who, without reasonable excuse, contravene a direction to comply with a request for information under para.2(1) of Sch.2 FSA08. • Currently the Authority can undertake an 'action for a breach', however the majority of those powers only extend to current or former licenceholders and not other persons who are within scope of inspection and investigation powers. • The new offence would provide an additional means of securing compliance for persons who hold information relevant to the Authority's functions but are not a current or former licenceholders (e.g. persons suspected of undertaking regulated activity without a licence).

Clause	Amending FSA08	Explanation
c.21	s.43 (contravention of statutory provisions), FSA08	<ul style="list-style-type: none"> This amendment would clarify the Authority's ability to take action using its powers under the FSA08 to address contraventions under the FSA08. This would be in addition to existing powers under the FSA08 and would not alter the effect of existing powers.
c.22	s.45 (Tynwald procedure), FSA08	<ul style="list-style-type: none"> This is a housekeeping matter and seeks to correct a reference to order-making powers where the current Tynwald procedure conflicts.
c.23	s.46 (fees), FSA08	<ul style="list-style-type: none"> This amendment would allow the Authority to prescribe fees in connection with the discharge of its wider functions (i.e. not just those relating to licenceholders under s.46(1) FSA08) provided those fees are reasonable and are intended to cover the cost of discharging those functions. This amended provision could then be used in future instead of the general fee-making power under s.81 (grant of power to the Treasury, Departments and Statutory Boards) of the Interpretation Act 2015.
c.24	s.48 (interpretation), FSA08	<ul style="list-style-type: none"> This would amend s.48 FSA08 to revise the definitions of 'associate', 'controller' and 'permitted person' and improve consistency between the Acts.
c.25	Sch.1 (functions of the Authority), FSA08	<ul style="list-style-type: none"> This is a housekeeping amendment to update the list of enactments under p.2(2), Sch.1 FSA08. Paragraph 2(2) sets out the Acts under which the Authority has functions (as referenced in p.2(1)(h)). The proposals include adding the Bank (Recovery and Resolution) Act 2020. Additional minor amendments would correct punctuation and capitalisation.
c.26	Sch.1A (transfer of business including deposit taking), FSA08	<ul style="list-style-type: none"> The amendment seeks to rectify an ambiguity whereby Sch.1A FSA08 may have been misinterpreted as being limited to the deposit-taking business of a licenceholder. This is an issue because deposit takers tend to undertake wider regulated and non-regulated activities. The amendment would explicitly say that the 'relevant transfer scheme' is not only limited to the deposit-taking business of the entity and includes other matters under the universal succession principle.
c.27	Sch.2 (inspection and investigation), FSA08	<ul style="list-style-type: none"> The proposed amendments to Sch.2 FSA08 reflect issues encountered by the Authority in applying its inspection and investigation powers in recent years. The proposed amendments to Sch.2 FSA08 would: <ul style="list-style-type: none"> Allow the Authority to exercise its inspection and investigation powers where they relate to any of the Authority's statutory functions. This means they could be used, for example, to provide a direct regulatory investigation power into collective investment schemes, rather than the current route of

Clause	Amending FSA08	Explanation
		<p>using company law provisions under the Company Officers (Disqualification) Act 2009, which is sub-optimal.</p> <ul style="list-style-type: none"> ○ Clarify that the powers of inspection and investigation apply — <ul style="list-style-type: none"> ▪ whether or not any breach is suspected, and ▪ whether such breach (if suspected) would be criminal or civil in nature, as some breaches or suspected breaches are only identified after an inspection has taken place. ○ Ensure the Authority is able to use the inspection and investigation powers in situations involving non-permitted persons. For example, misleading statements and practices under ss.37-38 FSA08. In this example, it is often non-permitted persons that are most likely to issue statements to suggest they are licensed, or who are complicit in making statements that could amount to, for example, market abuse. ○ Decouple the ‘attendance’ and ‘to answer questions’ elements from each other in the power to require appearance before the Authority. This would permit the Authority to require attendance for a ‘caution interview’ / ‘interview under caution’ without also requiring the individual to answer questions.
c.28	Sch.4 (mediation and adjudication), FSA08	<ul style="list-style-type: none"> • Schedule 4 FSA08 relates to the Financial Services Ombudsman Scheme and financial services disputes, which are in the remit of the Isle of Man Office of Fair Trading (‘OFT’). • The OFT has requested changes to Sch.4 FSA08 as follows: <ul style="list-style-type: none"> ○ To extend the time limit for complaints from two to three years (since the complainant was first aware of the act or omission). ○ To require complaints to be submitted to the OFT no more than six months after the date on which a supplier sends the complainant its final response (apart from in exceptional circumstances). ○ To increase the amount of possible award from £150,000 to £250,000. ○ To clarify that any financial loss must be as a result of the actions or omissions of the financial provider being complained about. ○ To amend the term ‘Adjudicator’ to ‘Ombudsman’. ○ To provide that, in the event that the senior ombudsman is unable to act in a complaint, the senior ombudsman may appoint one of the other ombudsmen, being suitably qualified, to determine a complaint.

Clause	Amending FSA08	Explanation
c.29	Sch.5 (disclosure of information), FSA08	<ul style="list-style-type: none"> This would amend Sch.5 FSA08 to change the information sharing gateway between the Authority and the Isle of Man Office of Fair Trading ('OFT') to allow the Authority to disclose information that would enable or assist the OFT in carrying out any of its functions. This amendment would also void any non-disclosure agreements ('NDAs') between a licenceholder (or its group companies) and another person (whether employee, officer, skilled person, person providing services (such as cleaning) or client, including corporate persons as well as individuals) that purport to prevent that person from providing information to the Authority that is relevant to the exercise of the Authority's functions. Protected disclosures made to the Authority under the Employment Act 2006 (whistleblowing) are already protected, whether there is an NDA or not. This protection is a very important aspect of that legislation. Other protected disclosures to other bodies are, likewise, protected under the Employment Act 2006. However, protected disclosures only apply to workers (as defined under the Employment Act 2006). There is a possibility that NDAs could be used to silence individuals that do not fall within the employment law definition.

2. Amendments to the Collective Investment Schemes Act 2008

Clause	Amending CISA08	Explanation
c.30	N/A	<ul style="list-style-type: none"> Gives effect to the amendments to the CIS08.
c.31	N/A	<ul style="list-style-type: none"> General amendment to replace references to 'sub-paragraph' with 'subparagraph'.
c.32	s.1 (meaning of collective investment scheme), CIS08	<ul style="list-style-type: none"> This would clarify that, in the case of a collective investment scheme established as an open-ended investment company, the fact it enters liquidation does not result it in ceasing to be a collective investment scheme and does not mean that the CISA08 ceases to apply.
c.33	s.11A (persons unfit to be members of governing body), CISA08	<ul style="list-style-type: none"> The proposed amendment to s.11A CISA08 is consistent with c.7 (amending s.10 FSA08) and for the same reasons. The effect of the proposed amendment would make it clear that, when an individual is being presented for appointment to become a member of the governing body of a scheme, it is for that governing body to satisfy the Authority that the individual is fit and proper, rather than for the Authority to establish that they are not.
c.34	s.11F (warning notices), CISA08	<ul style="list-style-type: none"> This amendment would remove an erroneous reference to 'permitted person', which is not a relevant term in the CISA08 (although it is under the FSA08).

Clause	Amending CISA08	Explanation
		<ul style="list-style-type: none"> The amendment would also add appropriate references into the CISA08 to reflect the Authority's functions under the IA08.
c.35	s.13 (appointments), CISA08	<ul style="list-style-type: none"> This is a housekeeping amendment flowing from changes previously made to the definitions of 'collective investment scheme' in the Collective Investment Schemes (Definition) Order 2017 and the Collective Investment Schemes (Regulated Fund) Regulations 2017, which included certain closed-ended investment companies within the definition of collective investment schemes.
c.36	New s.15A (winding up of incorporated schemes), CISA08	<ul style="list-style-type: none"> The proposed new s.15A, CISA08 seeks to improve the provisions for the winding up of collective investment schemes. The grounds to apply for the winding up of a scheme are wider and more relevant to schemes under the CISA08 than the Companies Act 1931 ('CA31'). However, the process of winding up a scheme established as a company is only provided for under the CA31. In respect of winding up a scheme incorporated as a company, the winding-up process in the CISA08 does not provide for the appointment of an Official Receiver, nor the other multiple powers and duties detailed under the CA31 and the Companies (Winding-Up) Rules 1934. This means the winding-up must be applied for under the powers provided to the Authority under s.164(1)(d) CA31. However, the grounds for doing so are much narrower and less relevant to schemes (public interest) than if a winding up is applied for under the CISA08. The proposed new s.15A CISA08 would specify that, in the event the Authority applies for a winding-up order under the new section (due to the circumstances in s.11 CISA08), this would satisfy the 'public interest' test under s.164(1)(d) CA31. It would still fall to the court to assess whether the CISA08 test is satisfied and whether it is just and equitable for the court to order the winding up of the scheme. In addition, the new provision would specify that the CA31 winding-up powers, duties and obligations apply in the winding up of schemes that are bodies corporate. This would avoid the need to specify the powers, duties and obligations for winding up a corporate scheme in the order.
c.36 (cont.)	New s.15B (payment of person appointed under s.13 or 15(1)(b)(ii)), CISA08	<ul style="list-style-type: none"> This new s.15B CISA08 would be similar to c.12 (new s.23A FSA08). It would clarify the Authority's powers to agree funding for certain appointments of professionals to fulfil statutory roles as may be prescribed in secondary legislation. This would help avoid situations where appointees (under statutory provisions) are potentially unable to secure settlement of their fees.

Clause	Amending CISA08	Explanation
c.37	New s.16A (contravention of statutory provisions), CISA08	<ul style="list-style-type: none"> This new s.16A CISA08 would be similar to c.21 (amending s.43 FSA08). It would clarify the Authority's ability to take action using its powers under the FSA08 to address contraventions under the CISA08. This would be in addition to existing powers under the CISA08 and would not affect existing powers.
c.38	s.19A (civil penalties), CISA08	<ul style="list-style-type: none"> The proposed amendment to s.19A CISA08 is consistent with c.11 (amending s.16 FSA08). See c.11 for details. Please see the Revised Civil Penalty Provisions – Questions & Answers document for more information.
c.39	s.20 (guidance), CISA08	<ul style="list-style-type: none"> The proposed amendment to s.20 CISA08 is consistent with c.9 (amending s.12 FSA08) to explain the effect of complying with (or not complying with) guidance.
c.40	s.22 (public registers), CISA08	<ul style="list-style-type: none"> This is a minor amendment to remove the need for public registers to be physically held in the Authority's offices. The proposal would modernise the public register requirement under the CISA08 and reflect the fact that electronic registers are accessible on the Authority's website. Copies of the electronic registers would still be available at the Authority's offices on request.
c.41	s.23 (financial provisions), CISA08	<ul style="list-style-type: none"> The proposed amendment to s.23 CISA08 is consistent with c.23 (amending s.46 FSA08). It would allow the Authority to prescribe fees in connection with the discharge of its wider functions under the CISA08 provided those fees are reasonable and are intended to cover the cost of discharging those functions. This amended provision could then be used in future instead of the general fee-making power under s.81 (grant of power to the Treasury, Departments and Statutory Boards) of the Interpretation Act 2015.
c.42	s.26 (interpretation), CISA08	<ul style="list-style-type: none"> This would amend s.26 CISA08 to revise the definitions of 'associate', 'controller' and 'director' and improve consistency between the Acts. Also, some housekeeping changes have been included to reflect the fact that certain closed-ended investment companies have been included within the definition of 'collective investment schemes' since 2017.
c.43	Sch.2 (international schemes), CISA08	<ul style="list-style-type: none"> The proposed amendment seeks to rectify ambiguity in relation to the status of an international collective investment scheme if it breaches regulations. The amendments would ensure that, once a scheme has been established, lack of compliance with a provision of the relevant regulations would: <ul style="list-style-type: none"> (a) not mean that the scheme ceases to be a scheme; (b) not remove the requirement to comply with the regulations; and

Clause	Amending CISA08	Explanation
		(c) not remove the Authority's ability to enforce the regulations or the Act.

3. Amendments to the Insurance Act 2008

Clause	Amending IA08	Explanation
c.44	N/A	<ul style="list-style-type: none"> Gives effect to the amendments to the IA08.
c.45	N/A	<ul style="list-style-type: none"> General amendment to replace references to 'sub-paragraph' with 'subparagraph'.
c.46	s.5 (authorised insurers), IA08	<ul style="list-style-type: none"> This amendment seeks to replicate the equivalent provision under s.4 FSA08 by providing examples where a person may be treated as holding themselves out as carrying on insurance business in or from the Isle of Man. This would harmonise the approach to the general prohibition across the relevant Acts.
c.47	s.7 (circumstances in which authorisation will not be granted), IA08	<ul style="list-style-type: none"> This would amend s.7 IA08 to include a description of the matters considered by the Authority when determining F&P. This is intended to improve consistency between the Acts. The proposed text is based on s.6(2) FSA08.
c.48	s.10 (withdrawal of authorisation in respect of new business), IA08	<ul style="list-style-type: none"> This would amend s.10 IA08 to state explicitly that a withdrawal of authorisation in respect of new business may be due to an authorised insurer ceasing to be fit and proper. This is intended to improve consistency between the Acts.
c.49	s.14 (accounts), IA08	<ul style="list-style-type: none"> This would amend s.14 IA08 to introduce a regulation-making power so the Authority may change the time period in which financial statements are to be provided to the Authority in general (rather than in specific instances for a specific regulated entity). This is intended to provide additional flexibility in the provision of financial statements.
c.50	s.18 (actuary), IA08	<ul style="list-style-type: none"> This proposed amendment to s.18 IA08 is consistent with c.6 (amending s.10 FSA08) and for the same reasons. The amendment would make it clear that, when an individual is being presented for appointment as actuary of an insurer carrying on long-term business, it is for the insurer to satisfy the Authority that the individual is fit and proper, rather than for the Authority to establish that they are not.
c.51	s.21C (group supervisor), IA08	<ul style="list-style-type: none"> The proposed amendment to s.21C IA08 requires the Authority to specify, in regulations, the types or categories (including class or classes) of insurance business in respect of which it is not appropriate for the Authority to be the group supervisor of an insurance group.

Clause	Amending IA08	Explanation
		<ul style="list-style-type: none"> This would allow the Authority additional flexibility to determine where it is not appropriate for it to be the group supervisor, as the current provision is very narrow and does not cover other situations that may be relevant.
c.52	s.21I (appointment of group actuary), IA08	<ul style="list-style-type: none"> The proposed amendment to s.21I IA08 is consistent by c.6 (amending s.10 FSA08) and for the same reasons. The amendment would make it clear that, when an individual is being presented for appointment as actuary of a designated insurer, it is for the designated insurer to satisfy the Authority that the individual is fit and proper, rather than for the Authority to establish that they are not.
c.53	s.23 (insurance managers), IA08	<ul style="list-style-type: none"> This would amend s.23 IA08 to make the phrasing between the IA08 and FSA08 consistent.
c.54	s.24 (insurance intermediaries), IA08	<ul style="list-style-type: none"> This would amend s.24 IA08 to make the phrasing between the IA08 and FSA08 consistent.
c.55	s.25 (registration under this Part), IA08	<ul style="list-style-type: none"> This would amend s.25 IA08 to add a description of the matters considered by the Authority when determining F&P. This change would improve consistency between the Acts. The proposed text is based on s.6(2) FSA08. There is a further amendment proposed and noted on the Keeling to remove 'registered insurance intermediary' and replace with 'insurance intermediary' to align with removal of 'registered' in respect of insurance managers.
c.56	s.26 (cancellation or restriction), IA08	<ul style="list-style-type: none"> This would amend s.26 IA08 to state explicitly that a cancellation of registration of an insurance manager or insurance intermediary may be due to that entity ceasing to be fit and proper. This is intended to improve consistency between the Acts.
c.57	s.27A (accounts), IA08	<ul style="list-style-type: none"> This would amend s.27A to introduce a regulation-making power so the Authority may change the time period in which financial statements are to be provided to the Authority in general (rather than in specific instances for a specific regulated entity). This is intended to provide additional flexibility in the provision of financial statements.
c.58	s.28 (connected persons), IA08	<ul style="list-style-type: none"> This would amend s.28 IA08 to introduce a shorthand reference by adding that 'a person to whom this Part applies' may also be referred to as 'A'. This is intended to streamline the drafting of subsequent provisions in the Part and clarify the application of the provision. There would be no change to the scope of persons covered or to the Authority's exemption power under s.28(2).

Clause	Amending IA08	Explanation
c.59	s.29 (connected persons), IA08	<ul style="list-style-type: none"> • This would amend s.29 IA08 to introduce the 'notified only' appointment into primary legislation and provide for reduced notification periods for such Controlled Functions. • This would improve consistency between the IA08 and the Regulatory Guidance on F&P. • This would also amend s.29 IA08 to reflect the proposed changes under c.7 (amending s.10 FSA08) and for the same reasons. This would make it clear that, when an individual is being presented for appointment in certain Controlled Functions, it is for the regulated entity to satisfy the Authority that the individual is fit and proper, rather than for the Authority to establish that they are not. • In addition, this would also amend the definition of 'manager' in s.29 IA08 to broaden its application to make it more consistent with the 'key person' term in the FSA08 and to provide additional flexibility. The change is intended to focus on the nature and reality of a role, rather than its title, to improve the effectiveness of the regulatory framework.
c.60	s.29A (prohibitions), IA08	<ul style="list-style-type: none"> • This would amend section 29A IA08 to reflect the introduction of the defined term 'A' in c.58 (amending s.28 IA08) for the same reasons.
c.61	s.29E (warning notices), IA08	<ul style="list-style-type: none"> • The proposed amendments to s.29E IA08 are consistent with c.8 (amending s.11 FSA08) and for the same reasons. • Warning notices state the Authority has grounds to believe activities or circumstances specified in the notice are prejudicial to the individual's F&P (s.29E(2) IA08). • This would amend s.29E IA08 to widen the warning notice power to include (only if appropriate) individuals who are, or have been, employees of a person to whom Part 7 IA08 applies. • The reason for the change is that the Authority sometimes faces situations where it may be appropriate to issue a warning notice to an individual who holds (or previously held) a non-Controlled Function with a permitted person. • The Authority would not wish to review such an individual's F&P as a matter of course, nor have them treated as key persons etc. However, without the ability to issue a warning notice, the only action the Authority can take against the individual is to prohibit them from undertaking regulated activity. Prohibition is a public regulatory sanction and has a significant impact on individuals. A decision to prohibit an individual is not taken lightly. An individual who is not in a Controlled Function may have been involved in regulatory failure, but their

Clause	Amending IA08	Explanation
		<p>actions may not warrant a prohibition. A warning notice that their actions are considered prejudicial to their F&P would allow the Authority to take a more proportionate response.</p> <ul style="list-style-type: none"> • This provision would also amend s.29E(7)(b) IA08 to permit the Authority to disclose the circumstances surrounding the warning notice to certain persons who — <ul style="list-style-type: none"> ○ have received an employment application from the individual that is the subject of the warning notice, and ○ where the individual, if successful, would be in a Controlled Function or otherwise employed by the person. This can only take place if the warning notice is still in effect. <p>This could only take place if the warning notice was still in effect.</p> <p>No changes are proposed to: the right of appeal; the maximum permitted time the warning can remain in effect (three years); and the warning remains a discrete (rather than public) matter.</p>
c.62	s.30 (notice of cessation), IA08	<ul style="list-style-type: none"> • This would amend s.30 IA08 to update terminology to align with current definitions by replacing ‘principal control officer’ with ‘key person’, and substituting ‘person to whom this Part applies’ with the defined shorthand ‘A’, as detailed in c.58 (amending s.28 IA08). • These changes are intended to improve consistency across the Acts. The substance of the notification requirement remains unchanged.
c.63	s.34 (publication of information and advice), IA08	<ul style="list-style-type: none"> • The proposed amendment to s.34 IA08 is consistent with c.8 (amending s.12 FSA08) to explain the effect of complying with (or not complying with) guidance.
c.64	s.37 (Civil penalties), IA08	<ul style="list-style-type: none"> • The proposed amendment to s.37 IA08 is consistent with c.11 (amending s.16 FSA08). See c.11 for details. • Please see the Revised Civil Penalty Provisions – Questions & Answers document for more information
c.65	s.41 (application of sections 39 and 40), IA08	<ul style="list-style-type: none"> • This would amend s.41 IA08 to correct an error by clarifying that s.39 (restitution orders) and s.40 (action for damages) IA08 do not apply to contraventions relating to regulated investment business activities within the meaning of the FSA08. • The change is proposed as the Authority would use its powers under the FSA08 in respect of contraventions relating to regulated investment business activities.

Clause	Amending IA08	Explanation
c.66	New s.41A (payments of persons appointed under section 39A or 39B), IA08	<ul style="list-style-type: none"> This proposed new s.41A IA08 would be similar to c.12 (new s.23A FSA08). It would clarify the Authority's powers to agree funding for certain appointments of professionals to fulfil statutory roles as may be prescribed in secondary legislation. This would help avoid situations where appointees (under statutory provisions) are potentially unable to secure settlement of their fees.
	New s.41B (contravention of statutory provisions), IA08	<ul style="list-style-type: none"> This proposed new s.41B IA08 would be similar to c.21 (amending s.43 FSA08). It would clarify the Authority's ability to take action using its powers under the IA08 to address contraventions under the IA08. This would be in addition to existing powers under the IA08 and would not alter the effect of existing powers.
c.67	s.45 (appeals to the Financial Services Tribunal)	<ul style="list-style-type: none"> This would amend s.45 IA08 to add a table of appealable matters into the IA08, which is similar to that within s.32 FSA08. This is intended to provide greater clarity.
c.68	New s.46A (Freedom of Information Act 2015), IA08	<ul style="list-style-type: none"> The proposed new s.46A IA08 would clarify that, where disclosure of information is prohibited under the IA08 (i.e. where information is 'restricted information'), such information is exempt from disclosure as 'absolutely exempt information' for the purposes of s.27 (information the disclosure of which is restricted by law) of the Freedom of Information Act 2015. It is based on s.38 (Freedom of Information Act 2015) of the Beneficial Ownership Act 2017.
c.69	s.47 (fees), IA08	<ul style="list-style-type: none"> It would allow the Authority to prescribe fees in connection with the discharge of its wider functions under the IA08 provided those fees are reasonable and are intended to cover the cost of discharging those functions. This amended provision could then be used in future instead of the general fee-making power under s.81 (grant of power to the Treasury, Departments and Statutory Boards) of the Interpretation Act 2015.
c.70	s.48 (registers), IA08	<ul style="list-style-type: none"> The proposed amendment to s.48 IA08 would require the Authority to maintain details of former regulated entities on its register for 15 years. This would replace the current requirement, which is without limit. The proposed change seeks to provide greater certainty for the Authority and former regulated entities as to the timeframe in which details of former regulated entities would remain on the register.
c.71	s.50 (regulations), IA08	<ul style="list-style-type: none"> This is a housekeeping amendment to s.50 IA08 to reflect a new requirement to make civil penalty regulations under s.37(7) IA08 as part of the planned harmonisation of civil penalty powers across the Acts. Please see the Revised Civil Penalty Provisions – Questions & Answers document for more information.

Clause	Amending IA08	Explanation
c.72	New s.50A (power of Authority to modify regulatory requirements), IA08	<ul style="list-style-type: none"> This would amend s.50A IA08 to replicate the equivalent provision under s.18 FSA08. This would allow the Authority to modify certain regulatory requirements on the application of, or with the consent of, the regulated entity. This is intended to provide additional flexibility on the application of regulatory requirements. For context, modifications to the Financial Services Rule Book under s.18 FSA08 are used where some of default regulatory requirements are not suitable for a particular regulated entity or business model. They allow the Authority to adapt the regulatory requirements to different activities and circumstances (e.g. in respect of finance sector innovation) without having to change the regulatory requirements themselves. Modifications would only be used in exceptional circumstances. Any changes required to regulatory requirements more generally would be made by changes to the regulatory framework.
c.73	s.51 (Guidance Notes), IA08	<ul style="list-style-type: none"> This would amend s.51 IA08 to provide for exceptions from / modifications to the Corporate Governance Code in the same way exceptions from / modifications to the Financial Services Rule Book can be granted (i.e. on the application of or with the consent of the regulated entity). The Corporate Governance Codes of Practice are similar to the Financial Services Rule Book (which applies to all regulated entities under the FSA08). The replication of this provision in the IA08 would provide flexibility and also better equips the Authority to support innovation within the regulated sector where existing requirements may not work as intended.
c.74	s.53 (offences), IA08	<ul style="list-style-type: none"> This would amend s.53 IA08 to remove some of the criminal offences created by the IA08 and make them civil/regulatory matters only. This is intended to reflect a more proportionate approach to regulation, where civil/regulatory powers are exercised as opposed to pursuit of criminal sanctions.
c.75	New s.53A (supervisory action), IA08	<ul style="list-style-type: none"> This new s.53A IA08 would provide the matters upon which the Authority would be able to take 'supervisory action'. Currently, many of these matters are only addressable as criminal offences. The Authority considers these matters should also be able to be addressed as civil / regulatory issues, which would help improve the effectiveness of the regulatory framework. The specification of matters in the IA08 that would allow the Authority to take supervisory action in place of pursuing criminal sanctions is intended to lead to more appropriate and proportionate regulatory outcomes.

Clause	Amending IA08	Explanation
		<ul style="list-style-type: none"> Under the proposals, certain breaches of the IA08 would, in future, only be addressable by supervisory action – they would no longer be offences (see c.75). For example, s.30 IA08 (not notifying the Authority that an individual has ceased to hold a Controlled Function).
c.76	s.54 (interpretation), IA08	<ul style="list-style-type: none"> This would amend s.54 IA08 to revise the definitions of ‘associate’ and ‘director’ and improve consistency between the Acts. The definition of ‘principal control officer’ would be amended to include ‘money laundering reporting’ and ‘actuarial activities (where required by the Authority to have an actuarial function)’. The IA08 currently uses the term ‘supervisory action’ in s.51(2) but it is not fully defined. The amendment would insert a new s.54(1A) IA08 to define ‘supervisory action’. This would be equivalent to an ‘action for a breach’ under the FSA08, which is an umbrella term used to define the exercise of various regulatory / civil powers. The list of actions has been chosen so as to mirror (as closely as possible) the actions that can be taken under the FSA08 as an ‘action for a breach’. The amendment would list (in one place) the various supervisory actions already available under the IA08.
c.77	Sch.5 (inspection and investigation), IA08	<ul style="list-style-type: none"> The proposed amendments to Sch.5 IA08 seek to replicate the changes made by c.27 (amending Sch.2 (inspection and investigation) FSA08) and for the same reasons. <i>Paragraph 2(1)</i> – removes the words ‘...specified in subparagraphs (a) to (l) of paragraph 1(1) (“the requested person”)...’ in order to widen the power to ‘any person’ to match paragraph 2(1) of Schedule 2 to the FSA08; and <i>paragraph 3(1)</i> – removes the word ‘requested’ before ‘person’ so that it reads ‘...of any person so far as is necessary...’ in order to widen the power to ‘any person’ to match paragraph 3(1) of Schedule 2 to the FSA08. 1A – This gives the Authority broad discretion to delegate its investigative and supervisory powers to an independent expert, enhancing its ability to oversee regulated persons or schemes efficiently. This does not introduce a new power but clarifies the existing position. The new s7(4) clarifies the position in relation to the charges applied following the appointment of experts. This does not introduce a new charging power but clarifies the existing position and treatment of charges.
c.78	Sch.6 (restrictions on disclosure of information), IA08	<ul style="list-style-type: none"> This would amend Sch.6 IA08 to: <ul style="list-style-type: none"> Add a new information sharing gateway between the Authority and the Isle of Man Office of Fair Trading (‘OFT’) to allow the Authority to disclose information that would enable or assist the OFT in carrying out any of its functions.

Clause	Amending IA08	Explanation
		<ul style="list-style-type: none"> ○ Make the Authority's information sharing gateway with the Department for Enterprise under the IA08 read in the same way as under the FSA08, which is more specific and relevant to the Authority's role. ○ Adds information sharing gateways between the Authority and the Cabinet Office and the Financial Intelligence Unit to harmonise restricted information provisions across the FSA08 and IA08. ○ Replicate a provision from Sch.5 FSA08 to allow the Treasury to amend the list of information sharing gateways by order. ○ Make the same provision in Sch.6 IA08 in respect of non-disclosure agreements ('NDAs') as c.29 (amending Sch.5 FSA08).
c.79	Sch.7 (matters in respect of which regulations may be made), IA08	<ul style="list-style-type: none"> ● This would amend Sch.7, IA08 to correct a typographical error.

4. Amendments to the Designated Business (Registration and Oversight) Act 2015

Clause	Amending DBROA15	Explanation
c.80	N/A	<ul style="list-style-type: none"> ● Gives effect to the amendments to the DBROA15.
c.81	N/A	<ul style="list-style-type: none"> ● General amendment to replace references to 'sub-paragraph' with 'subparagraph'.
c.82	s.3 (interpretation), DBROA15	<ul style="list-style-type: none"> ● This would amend s.3 DBROA15 to revise the definitions of 'associate' and 'controller' and improve consistency between the Acts.
c.83	s.5 (functions of the Authority) DBROA15	<ul style="list-style-type: none"> ● This would amend s.5 DBROA15 to clarify the Authority's functions in respect of breaches of AML/CFT legislation, which are limited to any legislation made under: <ul style="list-style-type: none"> ○ s.157 (money laundering codes) of the Proceeds of Crime Act 2008, or ○ s.68 (codes relating to the financing of proliferation and terrorism) of the Terrorism and Other Crime (Financial Restrictions) Act 2014. The current s.5 DBROA15 may imply the Authority's functions are wider than they actually are.
c.84	s.6 (delegation of functions of Authority) DBROA15	<ul style="list-style-type: none"> ● This would amend s.6 DBROA15 to insert a new subsection to clarify that where the Authority delegates functions to another person, that person must: <ul style="list-style-type: none"> ○ Exercise the function in line with the Authority's requirements, and ○ Provide information the Authority reasonably requires about how the function is being exercised.

Clause	Amending DBROA15	Explanation
		<ul style="list-style-type: none"> This would enhance the Authority's oversight of delegated powers and reinforce accountability in the use of those powers.
c.85	s.7 (prohibition on carrying on a designated business if not registered), DBROA15	<ul style="list-style-type: none"> This would amend s.7 DBROA15 to include the content of a web site or page or an internet site or page in the list of examples where a person may be treated as holding themselves out as carrying on designated business in or from the Isle of Man.
c.86	s.9 (grant or refusal of registration), DBROA15	<ul style="list-style-type: none"> This would amend s.9 DBROA15 to add a requirement for Designated Businesses to be managed and controlled in the Isle of Man. Currently this is achieved by way of the Authority's registration policy; however, this is a fundamental requirement that warrants a statutory basis. Without this requirement, the effectiveness of the oversight regime would be limited and presents significant reputational risk.
c.87	New s.10A (References to registration), DBROA15	<ul style="list-style-type: none"> The proposed new s.10A DBROA15 would provide the Authority with a power to prescribe (in regulations) the manner in which Designated Businesses may refer to their registered status, so as not to be misleading. This would assist in preventing misinterpretation by Designated Businesses and related consumer detriment.
	New s.10B (suspension of registration), DBROA15	<ul style="list-style-type: none"> The proposed new s.10B DBROA15 allows the Authority to suspend a designated business registration instead of, or before, revoking a registration under s.11 DBROA15. This would allow the Authority and the designated business additional flexibility to help resolve a serious compliance issue without resorting to the harsher option of revoking a registration.
c.88	s.11 (revocation of registration), DBROA15	<ul style="list-style-type: none"> This would amend s.11 DBROA15 to provide the ability for the Authority to revoke a registration for either of the following matters: <ul style="list-style-type: none"> failure to submit an annual return; or failure to pay a civil penalty. It would also clarify that the matters described in s.9(4) DBROA15 are used to determine if a person is not fit and proper for the purposes of s.11(1) DBROA15.
N/A	NEW s.13	<ul style="list-style-type: none"> Proposal to introduce a new provision under s.13 DBROA15 to create a power to specify additional returns by secondary legislation, e.g. Quarterly Financial Flow Returns from VASPs (Virtual Asset Service Providers). This provision would be drafted post-consultation. Any secondary legislation drafted in this respect will be subject to its own consultation in due course.

Clause	Amending DBROA15	Explanation
c.89	s.14 (on-site inspections and investigations), DBROA15	<ul style="list-style-type: none"> This would amend s.14, DBROA15 to clarify that the Authority's inspection powers include remote or non-physical inspections. The amendment would reflect modern supervisory practices. The heading would also be updated from "On-site inspections" to simply "Inspections" to align with this broader scope.
c.90	s.15 (requests for information), DBROA15	<ul style="list-style-type: none"> The proposed amendments to s.15 DBROA15 are consistent with c.29 (amending Sch.5 FSA08) in respect of non-disclosure agreements ('NDAs') and for the same reasons.
c.91	s.18 (offences in connection with inspections and investigations), DBROA15	<ul style="list-style-type: none"> This would amend s.18 DBROA to remove the specific reference to 'on-site' inspections. This would align the s.18 DBROA15 offence provision with the updated s.14 DBROA15, which would cover both physical and remote inspections. This would help ensure consistency across the Act regarding the Authority's inspection powers.
c.92	s.20 (offences in connection with supply of information), DBROA15	<ul style="list-style-type: none"> This would amend s.20 DBROA15 to remove the offence for failure to notify under s.19(a) DBROA15.
c.93	New s.22A (Freedom of Information Act 2015), DBROA15	<ul style="list-style-type: none"> The proposed new s.22A DBROA15 would clarify that, where disclosure of information is prohibited under the DBROA15, such information is exempt from disclosure as 'absolutely exempt information' for the purposes of s.27 (information the disclosure of which is restricted by law) of the Freedom of Information Act 2015. It is based on s.38 (Freedom of Information Act 2015) of the Beneficial Ownership Act 2017.
c.94	s.25 (report and action to be taken), DBROA15	<ul style="list-style-type: none"> This would amend s.25 DBROA to remove the specific reference to 'on-site' inspections. This would align the s.18 DBROA15 offence provision with the updated s.14 DBROA15, which would cover both physical and remote inspections. This would help ensure consistency across the Act regarding the Authority's inspection powers.
c.95	New s.26A (directions: persons unfit to be specified persons), DBROA15	<ul style="list-style-type: none"> The proposed new s.26A DBROA15 would introduce a power for the Authority to direct that an individual is not to be appointed as a specified person where that person is not fit and proper. The proposal wording is similar to s.10 FSA08. Currently, where an individual may not be fit and proper under the DBROA15 the only power available to the Authority is to revoke the registration of the registered business as a whole. Revocation of registration on the grounds of one individual being unfit is considered disproportionate, which is why the new direction power is sought.

Clause	Amending DBROA15	Explanation
		<ul style="list-style-type: none"> In order to extend appropriate protections for the individual, the additional safeguards included in the equivalent s.10 FSA08 (such as non-application of the direction while under appeal and a requirement to give reasons to all parties concerned) have been included in the proposed new s.26A DBROA15.
	New s.26B (warning notices), DBROA15	<ul style="list-style-type: none"> The proposed new s.26B DBROA15 would introduce a power for the Authority to issue a warning notice to an individual that their conduct may be prejudicial to their F&P (similar to the powers in the other Acts). There are currently no powers to sanction or warn an individual where the Authority has concerns as to the behaviour or conduct of an individual which are prejudicial to that individual's F&P. The DBROA15 currently only allows the Authority to revoke the registration of the business as a whole or take no action. Revocation of registration on the grounds of one individual being unfit is considered disproportionate, which is why the new warning notice power is sought. The power to issue formal warnings to individuals ahead of (or hopefully instead of) more serious action, where appropriate, would be consistent with the warning notice powers in the other Acts
c.96	s.30 (Civil penalties), DBROA15	<ul style="list-style-type: none"> The proposed amendment to s.30 DBROA15 is consistent with c.11 (amending s.16 FSA08). See c.11 for details. Please see the Revised Civil Penalty Provisions – Questions & Answers document for more information.
c.97	New s.30A (contravention of statutory provisions), DBROA15	<ul style="list-style-type: none"> This proposed new s.30A DBROA15 would be similar to c.21 (amending s.43 FSA08) and for the same reasons. It would clarify the Authority's ability to take action using its powers under the DBROA15 to address contraventions under the DBROA15. This is in addition to existing powers under the DBROA15 and does not alter the effect of existing powers.
c.98	s.33 (appeals), DBROA15	<ul style="list-style-type: none"> This would amend s.33 DBROA15 to make the following decisions of the Authority subject to appeal to the Financial Services Tribunal: <ul style="list-style-type: none"> Suspension of a registration under s.10B(1) Issue of a direction to the person under s.26A(1) or (2). This would follow the introduction of new powers to suspend registrations under s.10B(1) DBROA15 (see c.87) and to issue 'not fit and proper' directions under s.26A DBROA15 (see c.95).
c.99	New s.34A (fees), DBROA15	<ul style="list-style-type: none"> The proposed new s.35A would allow the Authority to prescribe fees, by order, to recover costs associated with carrying out its functions under the Proceeds of Crime Act 2008 and the Terrorism and Other Crime (Financial Restrictions) Act 2014. This includes both direct costs and a reasonable share of administrative and overhead expenses.

Clause	Amending DBROA15	Explanation
		<ul style="list-style-type: none"> This amended provision could then be used in future instead of the general fee-making power under s.81 (grant of power to the Treasury, Departments and Statutory Boards) of the Interpretation Act 2015.
c.100	s.35 (orders), DBROA15	<ul style="list-style-type: none"> This would amend s.35 DBROA15 to clarify the Tynwald process regarding orders made under s.35 DBROA15. This would clarify that the 'affirmative' Tynwald procedure applies rather than having to cross-reference s.31 of the Legislation Act 2015.
c.101	Sch.1 (designated businesses and exemptions), DBROA15	<ul style="list-style-type: none"> This would amend paragraph 8(g) Sch.1 DBROA15 to specify that holders of a software supplier licence or a token-based software supplier licence, as defined in the Online Gambling (Exclusions) Regulations 2010, are not exempt from the requirement to register under the DBROA15. This would narrow the exemption (which was not intended to cover such entities) and ensure such entities remain within the scope of Designated Business oversight.
c.102	Sch.2 (exceptions to prohibition on disclosure), DBROA15	<ul style="list-style-type: none"> This would amend Sch.2 DBROA15 to change the information sharing gateway between the Authority and the Isle of Man Office of Fair Trading ('OFT') to allow the Authority to disclose information that would enable or assist the OFT in carrying out any of its functions This amendment would also void any non-disclosure agreements ('NDAs') between a licenceholder (or its group companies) and another person (whether employee, officer, skilled person, person providing services (such as cleaning) or client, including corporate persons as well as individuals) that purport to prevent that person from providing information to the Authority that is relevant to the exercise of the Authority's functions. Protected disclosures made to the Authority under the Employment Act 2006 (whistleblowing) are already protected, whether there is an NDA or not. This protection is a very important aspect of that legislation. Other protected disclosures to other bodies are, likewise, protected under the Employment Act 2006. However, protected disclosures only apply to workers (as defined under the Employment Act 2006). There is a possibility that NDAs could be used to silence individuals that do not fall within the employment law definition.

5. Miscellaneous Amendments

Clause	Amending	Explanation
c.142	Companies Act 1931	<ul style="list-style-type: none"> This would amend s.266 of the Companies Act 1931 to prevent company books and papers from being destroyed following a court direction or by others (e.g. liquidators, creditors, committees) if the Authority has indicated such books and papers are required for regulatory or enforcement purposes.

Clause	Amending	Explanation
		<ul style="list-style-type: none"> • Key changes would include a requirement for the court to confirm that the Authority does not require the documents before authorising destruction. If the Authority has given notice that it requires said documents, the court must direct they be submitted to the Authority. A 14-day notice period would be required before any non-court direction to destroy documents, which would allow the Authority a timeframe to intervene. • The Authority would be added to the list of parties who may make representations regarding the disposal of records.
c.143	Fiduciary Services Act 2005	<ul style="list-style-type: none"> • This would repeal the Fiduciary Services Act 2005 given that the only remaining section of this would be incorporated into the FSA08 by this draft Bill (see c.15).
c.144	Bank (Recovery and Resolution) Act 2020	<ul style="list-style-type: none"> • This would remove a transitional provision concerning section 33 powers. • Previously a 'deeming' provision was included to treat the Bank (Recovery and Resolution) Act 2020 as a 'specified enactment' under s.33 FSA08. This is no longer required, as the Act has now been formally added to the statutory definition. This is a tidying amendment with no change in practical effect.

The following appendices are accessible using the links below. They can be also be accessed through the relevant consultation webpage on the [Isle of Man Government's Engagement Hub](#) or the Authority's [Consultations](#) webpage.

Appendix C

– Draft Financial Services (Miscellaneous Provisions) Bill

<https://www.iomfsa.im/media/3474/20250627-cp25-01-app-c-fs-mp-b-bill.pdf>

Appendix D

– Draft Financial Services Act 2008 (As Amended)

<https://www.iomfsa.im/media/3473/20250627-cp25-01-app-d-fsa08-v17-keeling-schedule.pdf>

Appendix E

– Draft Collective Investment Schemes Act 2008 (As Amended)

<https://www.iomfsa.im/media/3472/20250627-cp25-01-app-e-cisa08-v7-keeling-schedule.pdf>

Appendix F

– Draft Insurance Act 2008 (As Amended)

<https://www.iomfsa.im/media/3471/20250627-cp25-01-app-f-ia08-v15-keeling-schedule.pdf>

Appendix G

– Draft Designated Businesses (Registration and Oversight) Act 2015 (As Amended)

<https://www.iomfsa.im/media/3470/20250627-cp25-01-app-g-dbroa15-v13-keeling-schedule.pdf>