

Isle of Man Chamber of Commerce



10th October 2025

Speakers and panellists



Bettina Roth
Chief Executive
IOMFSA



Matt Touzel
Head of Enforcement
and Intelligence



George Pearmain
External Advisor to
IOM Government



Ashley Whyte
Head of AML/CFT
Supervision



Telling our story

- Importance of a consistent country narrative – telling our story with one voice
- Highlighted by other jurisdictions as biggest single factor in securing positive evaluation
- Isle of Man is not aiming for a ‘gold-plated’ approach

A hand is shown from the wrist up, palm facing forward, holding a large, glowing, 3D digital checkmark icon. The icon is composed of a wireframe mesh of white dots connected by thin white lines, giving it a futuristic, digital appearance. The background is dark blue with some bokeh light effects.

Achieving progress

- Agencies will act where vulnerabilities are identified
- Learning from the experience of other countries
- External experts contributing to preparations



Public consultation

- Lack of civil penalty regime for individuals flagged as weakness in IOM framework
- Option is already available to and used by other financial centres
- Seeking to put in place broad foundations – detail will be consulted upon during drafting of secondary legislation

Impact of evaluation

- Positive outcome will enhance Island's international reputation
- Grey listing would negatively impact Island's GDP
- Work to remove country from grey list is extremely onerous
- Work together in Island's best interests



MONEYVAL interviews

- Can you articulate a thorough understanding of the NRA?
- Will your answers reinforce the Island's country narrative?
- Government will work closely with businesses to help prepare them for the interview process



Collaboration is crucial

- Now is the time to work through any issues and find solutions
- Work collaboratively with us to maximise future engagement
- Get in touch to discuss joint workshops or presentations
- Everyone pulling in the same direction



Pursuing economic growth

- Reducing financial crime is not about de-risking the economy
- Sound regulation can support sustained economic growth
- Positive reputation is an advantage for firms competing in international marketplace



An insight into enforcement

Matt Touzel, IOMFSA Head of Enforcement & Intelligence



Our approach to enforcement

- Overview
 - Objectives
 - Enforcement Process
- 2023-24 Key Statistics
- 2024-25 Key Statistics
- 2025-26 Discretionary Civil Penalties
- Public Statement: Key Findings & Learning Points for Industry



Overview of Enforcement Process

Regulatory Objectives

- Securing an appropriate degree of protection for policyholders, members of retirement benefit schemes and the customers of persons carrying on a regulated activity
- The reduction of financial crime
- 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

(Section 2(2) Financial Services Act 2008 as amended)

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Overview of Enforcement Process

- Inspection
- Governance Referral Panel
- Enforcement Triage
- Enforcement Decision Making Process (EDMP)
 - Settlement
 - Board

2023-24 Key Statistics

- 725 Inspections
- 592 Beneficial Ownership
- 17 to Governance Referral Panel
- 5 to Enforcement



2024-25 Key Statistics



- 296 Inspections
- 198 Beneficial Ownership
- 15 to Governance Referral Panel
- 8 to Enforcement

2025-26 Discretionary Civil Penalties

Date	Gross Penalty	Net Penalty	Legislation	Regulations
17/06/25	£2,640	£2,376	s.157 (2ZA) POCA 2008 s.68 (2ZA) Terrorism & Other Crime (Financial Restrictions) Act 2014	Anti-Money Laundering and Countering the Financing of Terrorism (Civil Penalties) Regulations 2019
21/05/25	£48,356	£33,850	✓	✓
02/05/25	£2,785,714	£1,950,000	✓	✓

Public Statement: Key findings and learning points for industry

Key Findings

- Failed to establish, record, operate or maintain procedures and controls relating to its **BRA, CRA**, customer screening, ongoing monitoring, including transaction monitoring, and monitoring and testing compliance with the AML/CFT legislation (paragraph 4 of the Code).
- **BRA** did not consider all the risk factors detailed in paragraph 5(3) of the Code and was not an assessment which estimated the risks of ML/FT posed by the business and its customers (paragraph 5 of the Code).
- **CRA** did not amount to a CRA under paragraph 6 of the Code. It was therefore concluded it had not carried out an adequate assessment of the ML/TF risk of its customers. The CRA had no regard to the risk factors detailed in paragraph 6(3) of the Code and did not involve any risk assessment process or methodology (paragraph 6 of the Code).
- Did not demonstrate that it had adequate procedures and controls for new business relationships as required by the Code, that it was at all times taking reasonable measures to verify the identity of new customers, and it did not take reasonable measures to establish the **source of funds** of new clients (paragraph 8 of the Code).
- Undertook no ongoing monitoring or screening of customers to check for exposure to **sanctions, PEP or adverse** information as required by the Code. Failure to establish **SOF** before a business relationship was entered into meant it was not in a position to scrutinise transactions to determine whether or not they were consistent with the expected SOF of a transaction. As no CRA was undertaken, unable to determine whether transactions were consistent with the customer's business and risk profile (paragraph 13 of the Code).
- Did not establish, record, maintain or operate appropriate procedures and controls for the purpose of determining whether any customer (amongst other individuals) was, or subsequently became, a **PEP** (paragraph 14(1) of the Code).
- Did not have procedures and controls in place for monitoring and testing compliance with the AML/CFT legislation. No reports were produced in accordance with the requirements of paragraph 30(2) of the Code. Such reports are required at least annually and serve as a confirmation of the firm's adherence to its legal obligations and the robustness of its AML/CFT framework (paragraph 30(2) of the Code).

Public Statement: Key findings and learning points for industry

Key Learning Points

- The procedures and controls as required by the Code, are vital to help protect the Relevant Person, their staff, their business and their communities from the threat of being used or abused by criminals or those assisting or enabling criminals. Relevant Persons must demonstrate they are protecting themselves in order to make their domain as hostile as possible to those who would abuse them. In this way, the procedures and controls are vital for the effective prevention of ML/FT and the harm that crime, terrorism and the proliferation of weapons of mass destruction present for wider society.
- Ongoing monitoring of customers helps identify and mitigate potential risks associated with money laundering and terrorist financing. By continuously reviewing client activities and transactions, firms can detect suspicious behaviour early and take appropriate action. Regular screening against sanction lists, PEPs, and adverse media ensures that firms are aware of any changes in their clients' risk profiles. This allows for enhanced due diligence when necessary.
- Compliance with the Code is a legal requirement; all firms undertaking business in the regulated sector have an obligation to conduct their affairs in a manner that adequately mitigates the risks faced by it in order to ensure that the Isle of Man retains its reputation as a responsible, and well regulated, international financial centre. The Authority is committed to taking reasonable, proportionate and appropriate action to address contraventions of the Code in order to help it achieve its regulatory objectives of protecting consumers, reducing financial crime and maintaining the reputation of the Isle of Man's finance sector through effective regulation.

Public Statement: Key findings and learning points for industry

Key Learning Points Continued

- The directors of all firms undertaking business in the regulated sector bear ultimate responsibility for ensuring the effective implementation and ongoing compliance with the Code. In particular, they must ensure that the (at least) annual review mandated by paragraph 30(2) of the Code is conducted diligently and comprehensively. This review is not merely a procedural formality, but a critical mechanism for evaluating the firm's adherence to its legal obligations and the robustness of its AML/CFT framework. Directors must actively oversee the planning, execution, and documentation of this review, ensuring that it is;
 - i. conducted by competent personnel with sufficient expertise and resource;
 - ii. covers relevant aspects of the firms AML/CFT policies, procedures and controls;
 - iii. identifies and addresses any deficiencies or weaknesses in a timely manner; and
 - iv. is documented thoroughly, providing a clear audit trail of the review's findings and any remedial actions taken.
- Directors must demonstrate a proactive and informed approach to this review, recognising its significance in safeguarding the firm from financial crime risks and maintaining the integrity of the Isle of Man's financial system. Their active involvement is essential in fostering a culture of compliance throughout the organisation and demonstrating a clear commitment to their AML/CFT obligations.
- In today's rapidly changing regulatory environment, it is essential for firms to stay up-to-date with the evolving AML/CFT framework. The Authority remains committed to work with industry to enhance the Isle of Man's ability to meet its international AML/CFT standards and has a number of AML/CFT resources on its website and other social media platforms including webinars and sector specific guidance.

Understanding MONEYVAL

George Pearmain, External Advisor to the Isle of Man Government



Understanding MONEYVAL

- MONEYVAL is a FATF-style regional body under the Council of Europe.
- It evaluates countries' compliance with international AML/CFT standards.



The evaluation focuses on:



**Technical
Compliance**

(laws, regulations, frameworks)



Effectiveness
(how well measures
work in practice)

MONEYVAL 2026 – Timeline for the Isle of Man



The Evaluation Process



Submission of detailed questionnaires on:

Technical compliance with FATF's 40 Recommendations.

Effectiveness across 11 **Immediate Outcomes (IOs)**.



Onsite interviews with:

Government authorities

Regulators

Private sector representatives

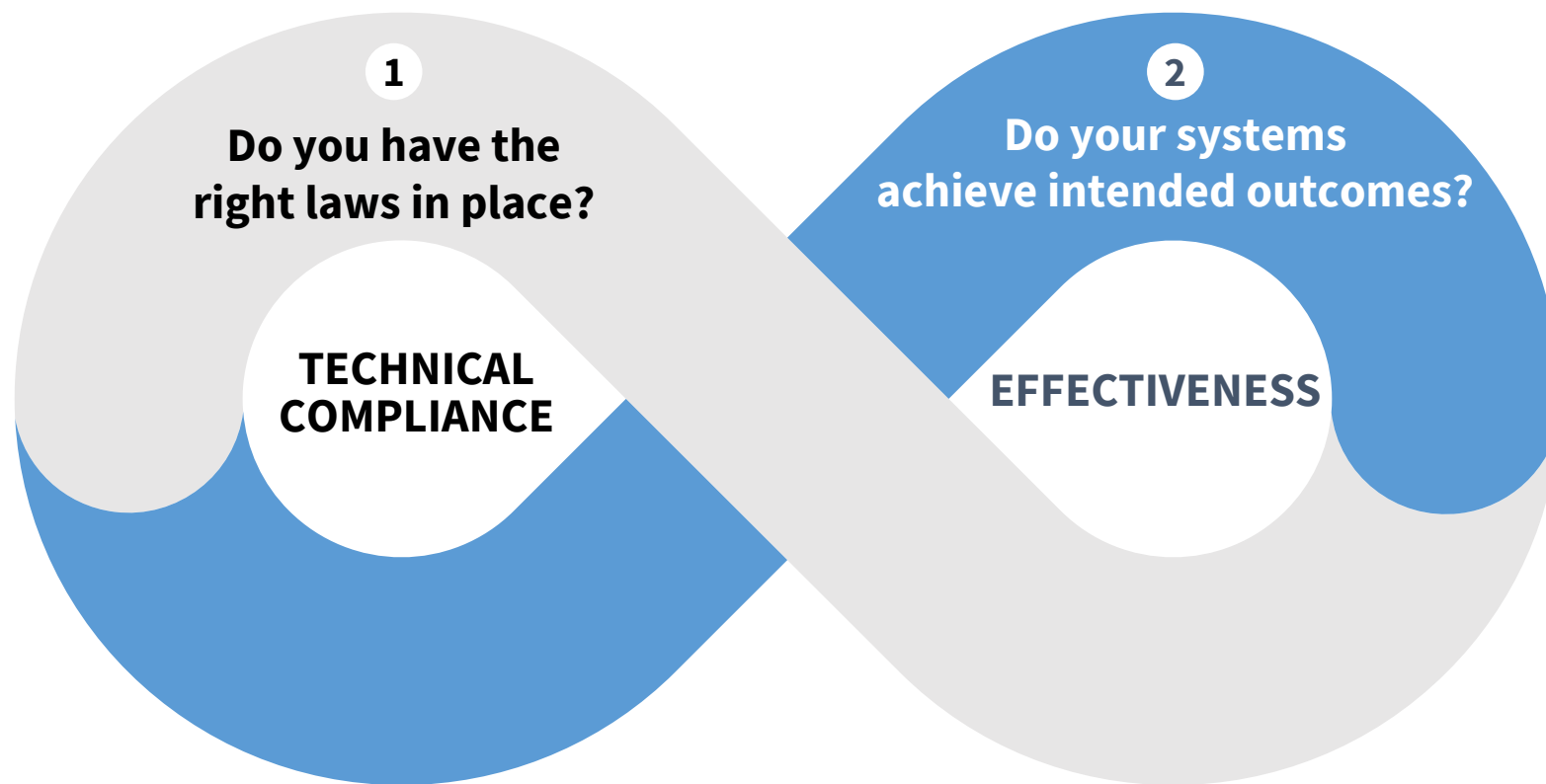


Drafting of the **Mutual Evaluation Report (MER)**.



Ratings assigned for each FATF Recommendation and IO.

Two Key Questions



Measuring Technical Compliance



Measuring Effectiveness (1/2)

Immediate Outcomes: The “So What?” Questions

1

Do you understand your ML/TF risks and coordinate policy?

2

Does international cooperation deliver results?

3

Do supervisors appropriately supervise financial institutions/VASPs and financial institutions/VASPs effectively implement AML/CFT measures?

4

Do supervisors appropriately supervise DNFBPs and DNFBPs effectively implement AML/CFT measures?

5

Can you obtain adequate, accurate and up to date beneficial ownership information when needed?

Measuring Effectiveness (2/2)

Immediate Outcomes: The “So What?” Questions

- 6 Is financial intelligence used for ML and TF investigations?
- 7 Are ML offenses investigated, prosecuted, and sanctioned effectively?
- 8 Are proceeds of crime confiscated effectively?
- 9 Are TF offenses investigated, prosecuted, and sanctioned effectively?
- 10 Are TF preventive measures and financial sanctions implemented effectively?
- 11 Are PF financial sanction implemented effectively?

Updates to Standards Since 2022

The Isle of Man will be assessed against the updated FATF 5th Round Methodology, which includes revisions to:

- Risk-based approach requirements (R.1)
- Beneficial ownership standards (R.24, R.25)
- Asset recovery provisions (R.4, R.30, R.31, R.38)
- NPO sector measures (R.8)
- Enhanced focus on structural elements and financial inclusion

Updates to Immediate Outcomes Since 2022

- IO.2 (International Cooperation) - enhanced focus on asset recovery cooperation
- IO.5 (Legal Persons & Arrangements) - updated beneficial ownership transparency requirements – greater alignment with EU AMLDs
- IO.8 (Asset Recovery) - comprehensive revision reflecting new asset recovery standards (greater alignment with Council of Europe Warsaw Convention)
- IO.10 (TF Prevention & Financial Sanctions) - clarified NPO risk-based measures
- IO.3 & IO.4 (Supervision) – split between FIs and VASPs on one hand and DNFBPs on other and additional assessment guidance and examples, e.g. on use of FinTech and RegTech
- Note the enhanced focus on structural elements, financial inclusion, and proportionality of measures

Preparing for MONEYVAL – What You Can Do



Understand the National Risk Assessment (NRA) and align your work accordingly.



Review documentation: Ensure policies, procedures, and records are current and reflect real-world practices.



Engage senior management: Be ready to explain your AML/CFT approach clearly.



Stay informed: Monitor IOMFSA updates and attend outreach sessions.



Promote a culture of compliance: Regular training and awareness across teams.



Country Training – MONEYVAL Preparation



Date: 26-27 November 2025

Morning Session (26th): Open to industry participants

Content Overview:

- FATF Methodology
- Rules of Procedure
- Evaluation Timeline

Facilitators: Two members of MONEYVAL Secretariat



Industry Q&A Opportunity: Attendees will have the chance to ask questions and engage directly with the Secretariat

Panel Question & Answer session

