# AML Focus

OCTOBER 2025

Telling the Isle of Man's story - page 3

CEPs: Everything you need to know - page 4


Importance of the Island's National Risk Assessment - page 10

# A co-ordinated approach

I hope you've taken the opportunity to attend one of the many presentations and Q&A panel discussions the Authority has contributed to in recent weeks.

We've been stepping up our industry outreach to keep you informed of the progress being achieved in relation to the Island's National Risk Assessment and preparations for our MONEYVAL mutual evaluation scheduled for late September/early October 2026.

The Countering Financial Crime Conference in September saw a fantastic line-up of speakers share their professional insight and specialist knowledge on a range of topics. If you couldn't attend on the day, I would strongly recommend watching the video clips. You'll find further details on page 13 of this newsletter.

One presentation that really struck a chord with the audience was delivered by Leam Thompson, a Board Member at the Authority and renowned expert on countering illicit financial flows. Leam focused on FATF Immediate Outcome 1 (see page 3) and emphasised the importance of everyone – businesses, politicians, government agencies and regulators – being on the same page in terms of presenting a consistent country narrative.

We've sought to reinforce that message during other industry engagements, including an event organised by the Alliance of Isle of Man Compliance Professionals, our AML/CFT Forum for Heads of Compliance, and a Chamber of Commerce breakfast conference.

Another crucial element of the Island's MONEYVAL submission centres on the collection and analysis of data. We are building a solid bank of data that can be sliced and diced in different ways to help demonstrate and evidence the effectiveness of the Island's AML/CFT/CPF frameworks.

Thank you once again for your positive response to recent data requests. We recognise that compliance teams are already stretched, and we really do appreciate your continued support.

The data you provide is being fed into the NRA, which in turn will inform an Isle of Man Action Plan and an updated Financial Crime Strategy. Publication of the sector and topic-based NRAs is running slightly behind schedule, but the ambition is to make the documents as comprehensive as possible, as a robust risk assessment is essential to underpin and justify the risk-based approach allowed for in the AML/CFT Code.

Once issued, firms must have a thorough understanding of the NRA and be able to articulate how sector risks are reflected in their day-to-day business operations. This will be a vital part of efforts to tell the Island's story with one compelling voice.

Of course, singing from the same hymn sheet doesn't rule out constructive challenge or the need to discuss difficult issues over the next 12 months. But I would respectfully suggest that an interview with the MONEYVAL assessors is not the time to highlight any disagreements!

With that in mind, please contact the Authority to discuss any ideas, queries or concerns. Public-private sector collaboration will be essential if we are to secure a favourable outcome, so let's continue to work together in the Island's best interests.

**Ashley Whyte**

**Head of AML/CFT Supervision**

# Event provides insight into mutual evaluation process

## Presentations and Q&A panel session for Heads of Compliance

Further insight into the MONEYVAL mutual evaluation process was provided during a recent event hosted by the Authority at the Manx Museum Lecture Theatre.

Heads of Compliance, or equivalent, at supervised firms in the Island were invited to attend the biannual AML/CFT forum to learn more about a range of key topics, including:

- Progress regarding the Island's National Risk Assessment (NRA)
- An update on preparations for the MONEYVAL mutual evaluation
- A high-level timetable of the key milestones in the process
- An overview of MONEYVAL Country Training and expectations on firms


Short presentations were provided by George Pearmain, a strategic advisor on financial crime and Head of Delegation for Jersey's recent mutual evaluation, and Ashley Whyte, Head of AML/CFT Supervision at the Authority.

An open question and answer discussion took place with the audience, with George and Ashley joined on stage by Matt Touzel, the Authority's Head of Enforcement & Intelligence, and Jilly Christian, Head of the IOM Government's AML/CFT Policy Office and National Lead for the Island's MONEYVAL evaluation.

For anyone who was unable to attend, the presentations were recorded and are now available to view via the Authority's website and social media channels.

The forum was part of extensive engagement taking place to keep businesses informed of progress and next steps in relation to the Island's NRA and MONEYVAL mutual evaluation.

Links:

**Museum event video**

**Presentation slides**

## Authority publications set out priority workstreams


Countering Financial Crime Strategic Approach


Supervisory Methodology Framework


Authority Strategic Plan 2025 - 2027


AML/CFT/CFP Supervisory Priorities 2025 - 2027

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# Island must tell its story with one compelling voice

## Leam Thompson encourages everyone to sing from same hymn sheet

**Immediate Outcome 1 – Risk, Policy and Coordination:**

Money laundering and terrorist financing risks are understood and, where appropriate, actions coordinated domestically to combat money laundering and the financing of terrorism and proliferation

The importance of having a consistent country narrative reflective of the identified risks to the Isle of Man was highlighted during the 2025 Countering Financial Crime Conference at the Villa Marina in September.

Leam Thompson, a Board Member at the Isle of Man Financial Services Authority and expert on countering illicit financial flows, delivered a presentation titled 'Immediate Outcome 1 (IO1) – Burden or Opportunity?'

Leam explored the expectations of the Financial Action Task Force (FATF), the independent standard-setter that seeks to protect the global financial system against money laundering, terrorist financing and proliferation financing.

The audience of approximately 600 Island professionals was told of the significance of IO1 in relation to both the safeguarding of consumers and maintaining confidence in the Isle of Man as a trusted member of the international community.

Leam, who has extensive experience in the design and implementation of financial crime prevention frameworks, explained how it will also have a major bearing on the Island's MONEYVAL mutual evaluation in 2026.

'There is a cascade effect from IO1. Get this one right and you stand a good chance of getting the other Immediate Outcomes right too', she said.

Compelling storytelling through a consistent single voice was described as the key to demonstrating the effectiveness of the Island's AML/CFT/CPF regime, with everyone required to 'sing from the same hymn sheet.'

Leam said that businesses must be able to communicate their understanding of risk and evidence the evolution of their policies and practices to reflect both sector and national risk assessments, as well as being cognisant to the dynamic nature of risk.

The presentation of data was also highlighted as critical to successfully telling the Island's story, with unavailable, incomplete, out-of-date or inconsistent data among the biggest challenges to be overcome. However, thanks to the submission of the AML/CFT returns from industry, the Authority is making good progress in this area.

Leam encouraged the Island to show strength through collaboration to maintain the Isle of Man's reputation as a responsible jurisdiction and an outstanding place to do business.

'Everyone wants to fiercely protect the Island's future as an international finance centre. This is not about de-risking and losing the Island's economic edge in the process or sacrificing everything for a positive MONEYVAL assessment. It's about achieving both favourable outcomes – one helping the other', she said.

**'Everyone wants to fiercely protect our future as an international finance centre'**


## The benefits of collecting data about Commercially Exposed Persons

The Authority has been collecting data on Commercially Exposed Persons ("CEPs") since 2024 as part of the AML/CFT annual return.

The purpose of this initiative is to deepen our understanding of customer profiles and enhance awareness of the varying risks that Financial Institutions and Designated Businesses on the Island may face through their customer relationships.

Using the STRIX system, we can analyse this data to identify where key risks may be concentrated. This includes highlighting exposure to potentially higher-risk CEP relationships and higher-risk activities — both at the individual entity level and across sectors. These insights directly inform our risk-based engagement model and help shape our supervisory plans.

Ultimately, the Authority's focus is on identifying areas where risk exposure is concentrated. This enables us to present a clearer picture of the risk landscape across the Island's regulated and registered business sectors and strengthens the effectiveness of our supervisory engagement model.

## *CEPspectations:* Useful information

### >>> AML/CFT Code Reference

CEP connections should be considered in line with **paragraphs 6 and 15** of the AML/CFT Code.

### >>> Risk Assessment

The CEP designation may represent a higher-risk factor, but it should be evaluated as part of a **holistic customer risk assessment**. Being a CEP does not automatically mean the customer is high risk.

### >>> CEP vs PEP

**CEPs are not Politically Exposed Persons** ("PEPs"). Unlike PEPs, there is no requirement in the AML/CFT Code to determine CEP connections in the same formalised way; CEPs are covered in the AML/CFT Handbook (guidance). It is acknowledged that determining a CEP connection may not always be straightforward and should be done on **a best endeavours basis**.

### >>> No CEP by Association

There is **no concept of "CEP by association"**, nor is there a notion of "once a CEP, always a CEP."

### >>> What's Next?

The Authority will be publishing **updated CEP guidance** in due course following engagement with industry bodies. Please keep an eye on our website for updates.

**Determining a CEP connection should be done on a best endeavours basis**

# Useful reminders for using STRIX

## Top tips for firms responding to data requests

STRIX is utilised by the Authority as a data collection tool for a number of thematic questionnaires, ad-hoc requests and the annual AML/CFT Statistical Return.

The AML/CFT Statistical Return for 2025 is due to be issued in January 2026 with a deadline of 31 March 2026. With this in mind, we've put together a short guide to remind people of the following processes:

### Attention DNFBPs!

Please ensure your business contact details are accurate and up to date on the DNFBP portal. If this is not the case, they can be amended by submitting a new **Business Details Form.**

### Activating a new user

For Regulated firms you must complete the **F&P2 Notification Form** and return this to your respective supervisory division for processing.

For DNFBP firms you must complete the **New STRIX User Form** and return this to the AML/CFT Supervision Division at **amlreturns@iomfsa.im**

Please note that while the form will be processed by the Authority, the new user will **not** be able to access their STRIX account until a return becomes available for submission.

Once a new survey is live, an automated invitation will be sent to all new users.

### Ceasing an existing user

Regulated firms must complete the **F&P5 Form** and return this to their relevant supervisory division.

For DNFBP firms, you must submit your request to **amlreturns@iomfsa.im** and update the **DNFBP portal** where that person is a named primary contact for your firm.

For more information, please refer to our **website** or the **AML/CFT Annual Statistical Return Guidance**.

Please contact the STRIX team through **amlreturns@iomfsa.im** if you have any questions and we will be happy to help!

### Top tip!

All STRIX surveys can be downloaded in a Microsoft Excel or PDF format. This will allow you to maintain a record of previous submissions and look over any previous returns. This also provides an opportunity for any new users to review the previous surveys.

## Don't miss AML Wednesdays


Is AML Wednesday part of your weekly routine? Our engagement programme includes posting an item on LinkedIn each week to highlight AML/CFT/CFP-related news, reminders and guidance.

Please email aml@iomfsa.im with ideas for future topics and be sure to follow the Authority on LinkedIn... as well as AML/CFT content we post general updates, job opportunities, and links to consultations.

Link:

**Authority LinkedIn**

## Climate and nature risks

We have published guidance to raise awareness of climate and nature loss risks and to provide further clarity around our expectations in relation to these risks.

This represents a significant step in our work to support the ambitions highlighted in the Isle of Man Sustainable Finance Roadmap. The Authority's workstreams are focused on creating a platform that enables firms to develop products and services, with a view to fostering the growth of sustainable finance as part of a well-regulated international business centre.

Most of the guidance is applicable only for businesses that have identified a material climate or nature risk as part of their risk assessment process.

Link:

**Sustainable Finance guidance**

# Enhancing understanding of ‘Introduced Business’

## Important to consider the different risks presented by third parties

**What are considered ‘elements of the customer due diligence process’?**

- **identifying the customer**
- **verifying a customer’s identity**
- **verifying the legal status of a customer**
- **identifying a beneficial owner**
- **verifying a beneficial owner’s identity**
- **obtaining information on the nature and intended purpose of the business relationship**
- **taking measures to establish the source of funds**

Through the course of our supervisory engagement, it has been highlighted that general understanding around Introduced Business could be enhanced across financial institutions and designated businesses.

The term ‘Introduced Business’ first arose in the AML/CFT (Amendment) Code 2018. It is important to consider information chains and the risks presented by third parties being involved in elements of the customer due diligence (CDD) process.

Before the establishment of a new business relationship (paragraph 8 of the Code) or the carrying out of an occasional transaction (paragraph 11 of the Code), a customer risk assessment (CRA) must be undertaken.

This requires regard to be paid to whether or not the relevant persons have met, and the involvement of any third parties for elements of the CDD process. These factors are key in determining whether the provisions of paragraph 9 are to be applied.

Where an introducer is present, not only must an introducer risk assessment be undertaken per paragraph 9(4) of the Code (and reflected in the customer’s CRA), but further consideration must also be given to the wider risks introducers may pose. The ML/FT risks presented to their business must be assessed within its BRA in accordance with paragraph 5(3)(e) of the Code.

Other parties may be involved in the new business relationship/occasional transaction who may not be introducers; this primarily depends on whether or not they provide elements of the CDD. Each have different roles that must be considered. Examples are shown in the table below.

It is important for relevant persons to distinguish which category any third-party fits into, as different risks are presented by each.

In conclusion, it is up to each relevant person to establish on a risk-based approach their appetite in relation to third parties involved in the CDD process, and to ensure their approach is recorded, maintained and operated.

Useful Links:

**AML/CFT Handbook June 2025**

**Introduced Business Webinar**

**Introduced Business-vs-Referrals-vs-Suitable Certifiers-vs-Eligibly Introduced Business**

| *Introducers* | *Referrals* | *Suitable Certifiers* | *Eligible Introducers* |
|---|---|---|---|
| Where any element of CDD is provided to the relevant person by another party (not the customer) during the establishment of a business relationship/carrying out of an occasional transaction | Where a person provides only contact details of a potential customer - not an introducer | Receives hard copies of ID&V documentation, certifies these and provides them back to the customer. The customer then provides these to the relevant person | Where a relevant person relies on a third party to hold ID&V documentation on its behalf under the provisions of paragraph 19 of the Code - not an introducer |

# Changes being proposed to beneficial owner threshold

## Consultation taking place on updating the definition in line with FATF

Since late 2022, the Authority has been engaged in an ongoing programme of inspections to oversee compliance with the Beneficial Ownership Act 2017 (the "Act").

We have generally been satisfied with the level of compliance demonstrated by nominated officers, although areas for improvement have been identified and communicated to those relevant persons.

The Act has now been in place for eight years. In this time, the international standards (namely, the FATF Recommendations) around Beneficial Ownership have evolved. Recommendation 24, relating to transparency and beneficial ownership of legal persons, requires adequate, accurate and up-to-date information on the beneficial ownership of legal persons to be held by a public authority or body, for example a company registry.


FATF updated this recommendation in March 2022 to strengthen the requirements around the transparency of the ownership of legal persons. Specifically, the recommendation was amended to require that any threshold used to determine the registrability of beneficial owners on such a registry or database should not exceed a maximum of 25%.

As readers may be aware, the current definition of 'registrable beneficial owner' in the Act is "a beneficial owner who owns or controls more than 25% of the beneficial ownership of a legal entity to which the Act Applies".

This definition is now at odds with the international standards against which the Isle of Man will be assessed during its next MONEYVAL mutual evaluation in October 2026.

In order to ensure the Island's technical compliance with this element of Recommendation 24, the Central Registry is exploring the viability of a revision to the Act. Specifically, an amendment to the definition of 'registrable beneficial owner' to bring the Island's legislation into keeping with the FATF Recommendations.

To this end, the Central Registry has recently held a number of sessions with a working group consisting of representatives from the TCSP sector and supported by the Cabinet Office's AML/CFT Policy Office and the Authority.

It is intended that the threshold for a beneficial owner becoming registrable be lowered to 25%, rather than being greater than 25% as it currently stands. The Central Registry is also exploring whether such a threshold should only apply to beneficial ownership interests via Ownership, rather than through Control.

A consultation on this change of approach will be issued shortly via the Government Engagement Hub. The Authority's Beneficial Ownership Guidance (published December 2024) will require updating to reflect any amendments.

In anticipation of this update, we ask that you get in touch with the Authority in respect of any comments or queries that you may have on the guidance as it currently stands.

Please send any feedback to:

beneficial.ownership@iomfsa.im

**The current definition is at odds with international standards against which the Isle of Man will be assessed during its next MONEYVAL mutual evaluation**

# Authority reviewing consultation feedback

We are reviewing the submissions to our two recent consultations with a view to publishing Feedback Statements and confirming next steps in November.

Comments were invited on the Financial Services (Miscellaneous Provisions) Bill and the Retirement Benefits Schemes (Amendment) Bill as part of plans to maintain the Island's reputation as a well-regulated jurisdiction that continues to meet international standards.

Detailed submissions have been received on the proposed measures, as well as other aspects of the regulatory framework.

The Authority wishes to thank everyone who responded to the consultations and is carefully considering all the comments ahead of setting out its intended way forward.

The Feedback Statements will explain any resulting changes to the Bills, while a separate consultation exercise will take place in 2026 on the secondary legislation required to implement certain provisions.

# PF videos online

A series of videos has been published online to help raise awareness of the risks and requirements relating to proliferation financing (PF).

Topics include an explanation of PF, an overview of the relevant sanctions regimes, PF red flags and typologies, and information about how to report suspicions.

Link:

**Webinars webpage**


# Action to tackle organised crime

## National response to threats facing the Island

The Isle of Man Government continues to advance a robust and co-ordinated national response aimed at protecting the Island from the threat posed by organised crime.

Action taken in recent months towards meeting the ambitions of the Isle of Man Financial Crime Strategy 2024-26 includes measures to strengthen supervision, investigation and enforcement capabilities across multiple government agencies.

Frameworks to combat money laundering, terrorist financing and proliferation financing (ML/TF/PF) are also being reviewed and updated as part of ongoing efforts to maintain the integrity of the financial services sector.

Improvements have been implemented in the collection and analysis of data, while the increased focus on risk monitoring and cross-agency collaboration to ensure intelligence is shared in a timely and effective manner when issues are identified.

Dissuasive action continues to be taken where it is considered reasonable, appropriate and proportionate to do so, as law enforcement agencies and regulators seek to disrupt potentially harmful activity. The intention is to demonstrate the effectiveness of the Island's ML/TF/PF regime and continue to provide an environment that supports new and existing business.

Further investment to support the Island's zero tolerance approach has enabled the government to engage leading financial crime practitioners and policymakers.

These officers are assessing frameworks, identifying any vulnerabilities, and working with stakeholders to ensure the Island remains compliant with international standards and is in the best possible position ahead of MONEYVAL, while also maintaining a robust and sustainable AML/CFT framework that extends beyond the evaluation itself.

Jane Poole-Wilson MHK, AML/CFT Lead for the IOM Government, said: 'Improvements made over the past 12 months demonstrate that the Island remains hostile to financial crime and will act decisively to address any vulnerabilities.'

**Link:**

**IOM Financial Crime Strategy 2024-26**

# Registered office address services guidance

We have published guidance in relation to the provision of registered office and accommodation address services.

The intention is to assist companies and individuals in determining whether their activities fall within the regulatory perimeter under the Financial Services Act 2008 ('FSA08'), specifically under Class 4 of the Regulated Activities Order ('RAO').

The provision of registered office and accommodation address services is a regulated activity under Class 4. Persons conducting these activities by way of business must consider whether they require a licence under the FSA08, or whether they fall within a relevant exclusion or exemption.

Further guidance highlighting some of the requirements relating to a registered office is available via a Practice Note issued by the IOM Central Registry.

Any further enquiries should be sent to policy@iomfsa.im

Links:

**Guidance**

**Practice Note**

**Financial Services Act 2008**

**Regulated Activities Order**

# Country Training in November

## MONEYVAL Secretariat to attend IOM event

There will be an opportunity for members of the Island's business community to learn more about the MONEYVAL mutual evaluation process in November.

A Country Training event being hosted by the Isle of Man Government at the Villa Marina in Douglas will be attended by representatives from the MONEYVAL Secretariat.

The morning session on Wednesday 26 November 2025 will highlight what industry can expect during the Island's evaluation, which is scheduled to take place in October 2026.

The Isle of Man's Minister for Justice and Home Affairs, Jane Poole-Wilson MHK, and (via video link) the Chairperson of MONEYVAL, Nicola Muccioli, will deliver the opening remarks.

An overview will be provided of the Financial Action Task Force (FATF) Standards and Methodology and the evaluation timelines.

There will also be a panel discussion in which members of the audience will be


able to pose questions to the MONEYVAL Secretariat.

Invitations have been circulated to relevant parties including professional bodies, industry associations and designated business oversight bodies.

As places at the Country Training event are limited and Government is expecting a high volume of interest, attendance is restricted to one person from each firm. Ideally the attendee will be the individual who would represent their firm if selected as part of the mutual evaluation in 2026.

## Video and Q&A published after DNFBP event

As part of our programme of outreach activities, we delivered an event to Designated Non-Financial Businesses and Professions ("DNFBPs") earlier this year.

The presentation was recorded and is available to view online as part of our library of webinars. The video sets out the DNFBP supervisory structure and highlights various Code obligations, and also provides an update on the Island's National Risk Assessment and preparations for the MONEYVAL evaluation in 2026.

Following the presentation, senior officers from the Authority took part in a question-and-answer panel session to respond to enquiries from members of the audience.

As there was insufficient time to answer to all the questions that were submitted on the day, a Q&A document has been published covering the main themes and topics raised.

Links:

**Presentation video**

**Q&A document**

# National Risk Assessment underpins entire regime

## Sector and topic-based risk assessments to be published in time ahead

Further progress is being achieved regarding the publication of the Island's updated National Risk Assessment (NRA).

A 'ground up' approach is being taken, with a number of sector and topic-based risk assessments serving to inform the overarching NRA.

The Terrorist Financing (TF) Risk Assessment is available to view online, while those focusing on Money Laundering (ML), which will include a number of sectoral risk assessments, Proliferation Financing (PF), Legal Persons and Arrangements (LPA) and Terrorist Financing in relation to Non-Profit Organisations (NPOs) will be published towards the end of 2025 and into early 2026.

The NRA is fundamental to protecting the Island from financial crime and is a crucial element of the Island's commitment to meeting international standards. It underpins the Island's entire regime, with the findings feeding into the IOM Government's Financial Crime Strategy and All-Island Action Plan.

Conducting an NRA is a requirement of the Financial Action Task Force (FATF), the body that sets international standards aimed at combatting ML, TF and PF. This will be the Isle of Man's third NRA, building on the reports published in 2015 and 2020.

The work currently being carried out by multiple government agencies will help to identify, understand and assess the ML/TF/PF risk in the Island and ensure our control framework is appropriate and that resources are targeted in the right areas.

In respect of the Island's MONEYVAL mutual evaluation, the NRA will have a significant impact on Immediate Outcome 1 and Recommendation 1 of the FATF Standards. IO1 and R1 have a cascading effect across the evaluation, so the time is being taken to put in place a comprehensive and robust NRA.

The importance of good quality data cannot be overstated, so we would like to thank firms for their support and encourage them to continue working collaboratively with the Authority to supply data in response to our thematic reviews and annual returns.

Industry engagement is being stepped up to raise awareness of the NRA and to prepare firms for MONEYVAL interviews, with details about outreach sessions, forums and working groups to be announced in the weeks ahead.

### How can industry help?

- Continue to provide the data requested, including through our STRIX system
- Ensure you have a thorough understanding of the NRA and your sector risk assessment
- Use the findings of the NRA to update your Business, Customer and Technology Risk Assessments
- Ensure your firm's procedures and controls reflect the identified risks
- Engage with the outreach events
- Ensure your firm's compliance function is appropriately resourced and supported


**The NRA is fundamental to protecting the Island from financial crime**


Link:

Terrorist Financing Risk Assessment


The collection, analysis and sharing of data are essential elements of our risk-based and proportionate approach to supervision.

The Authority is continuing to modernise its internal data infrastructure to improve regulatory efficiency and effectiveness, and to strengthen decision-making.

The use of the STRIX system and our data warehouse enables structured data gathering and automated risk scoring in relation to financial crime risk, with forward-looking trend analytics to support more dynamic and proportionate supervision.

We are consulting with industry on an ongoing basis to help shape data submissions and provide transparency around how the information is used, so your feedback is always welcome.

We publish the findings of all our data requests, including thematic reviews, surveys and questionnaires, to offer a snapshot of sector compliance and to share examples of good practice and areas for improvement.

Firms are encouraged to read the Authority's reports and to consider any action necessary to ensure their own compliance regimes are effective, up-to-date and properly documented.

The findings of the recent thematic reviews conducted by our AML/CFT, Portfolio and Prudential Supervision Divisions are available to view on the Publications section of the Authority's website.

## Thematic reports

- **Moneylenders**
- **Estate Agents**
- **Financial Advice**
- **Regulatory Registers**
- **Sanctions**
- **Insurance Intermediaries**

# Publication of revised version of EDMP

We have published an updated version of our Enforcement Decision-Making Process (EDMP).

A high-level review of the EDMP was conducted as part of the Authority's commitment to transparency, collaboration and continuous improvement.

Feedback from internal and external stakeholders has informed some minor amendments aimed at enhancing the clarity of the document.

The revised EDMP, which can be viewed online, sets out the steps to be followed by the Authority when exercising its statutory powers in relation to specific enforcement actions.

It includes a table of sanctions that may be pursued by the Authority where it is considered proportionate, reasonable and appropriate to do so.

The EDMP supports our objectives of reducing financial crime, protecting consumers and maintaining confidence in the Island's finance sector through effective regulation.

Links:

**Updated EDMP**

**Overview of Enforcement Action**

MONEYVAL Questions and Answers - page 14

# Handbook updated to reflect Risk Appetite Statement

The Isle of Man Government recently published a National Risk Appetite Statement (NRAS) with a focus on the eGaming sector and related industries.

The NRAS has been produced in response to the evolving threat landscape and provides clear, actionable guidance for businesses to assess and manage risks in both new and existing relationships.

In conjunction with this cross-agency initiative, the Authority has updated its AML/CFT Handbook to reference the NRAS and provide guidance on where this should be considered by relevant persons in the course of their business activities. The revised Handbook includes links to the NRAS Frequently Asked Questions, along with an update to the Business Risk Assessment guidance in section 2.2.8.

Links:

**National Risk Appetite Statement**

**Updated AML/CFT Handbook**


# Island must maintain its positive global reputation

## Chief Minister highlights importance of financial services sector

Chief Minister Alfred Cannan MHK highlighted the work taking place to enhance the Island's reputation as an outstanding place to do business when he opened the flagship Countering Financial Crime Conference at the Villa Marina in September.

Addressing an audience of approximately 600 people, he said the Isle of Man will continue to pursue opportunities for economic growth while acting decisively to disrupt those who seek to exploit its financial systems.

'Maintaining the integrity of our financial services sector is essential to supporting the competitiveness of our existing businesses and attracting quality new investment and jobs', the Chief Minister said.

'It is critical that our government agencies, Island firms and non-profit organisations work collaboratively as part of a united national response against organised crime.'

Mr Cannan also underlined the importance of the Isle of Man's MONEYVAL evaluation in October 2026. 'Securing a positive outcome is fundamental to our immediate and longer-term economic success. We must seize the opportunity to showcase the Island as a trusted member of the global community that continues to meet its international obligations', he said.

The Conference provided an opportunity for Island professionals to hear from officers who are at the forefront of international efforts to counter financial crime. The aim is to support the ongoing efforts towards strengthening the Isle of Man's defences against financial crime through collaboration, capacity building and the exchange of knowledge.

# Conference videos online

We have published video clips from the 2025 Countering Financial Crime Conference to share the professional insight and expertise provided by the speakers and panellists. View the **full Conference video playlist** or check out the individual sessions listed below.

**1**

Chief Minister's opening remarks

Chief Minister Alfred Cannan MHK highlights the work taking place to enhance the Island's status as an outstanding place to do business

**2**

Terry Stephen – Update on IOMFCP

Terry Stephen of the Financial Intelligence Unit sets out the progress achieved by the public-private partnership aimed at combatting financial crime

**3**

Leam Thompson – Immediate Outcome 1

Leam Thompson, an expert on countering illicit financial flows, delivers a presentation on the theme of FATF Immediate Outcome 1

**4**

Panel Discussion – MONEYVAL Q&A

Leam Thompson, Jilly Christian, George Pearmain and Shannon Reid answer questions about the mutual evaluation process. Moderated by Dan Davies

**5**

Deputy Chief Minister – Reputation

Jane Poole-Wilson MHK, AML/CFT Lead for the IOM Government, underlines the Island's efforts to raise standards and demonstrate its effectiveness

**6**

Nikesh Pandit – A Changing Picture

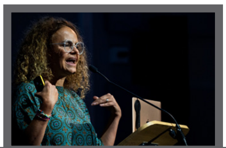
Nikesh Pandit showcases the work taking place to protect the UK art market from the threats posed by financial criminals

**7**

De Quincey Bailey – Organised crime groups

De Quincey Bailey, Illicit Finance Lead at HM Revenue & Customs, explains how professional money laundering networks operate

**8**



Dr Noémi També – Proliferation financing

Dr Noémi També provides an insight into proliferation financing and proliferation-sensitive goods and technologies

**9**

Panel Discussion – Designated Businesses

Lesley Webb, Rachael McGeachie, Dr Noémi També and Ashley Whyte discuss issues impacting DNFBPs. Moderated by George Pearmain

**10**

Bettina Roth – closing remarks

Bettina Roth, CEO at the IOM Financial Services Authority, brings the Countering Financial Crime Conference 2025 to a conclusion

## Is it just the interviews that determine the outcome of an evaluation?

No. The assessors will consider a large amount of information as part of their evaluation, and the industry interviews are just one component part of that information. In isolation the interviews will not determine how well the Island performs in the assessment, but it is important that all parties being interviewed can demonstrate their understanding of National Risk and are able to describe to the assessment team the AML/CFT/CPF frameworks that are in place in their individual businesses.

As there are many components that form part of a Mutual Evaluation, there is not one singular interview, sector or framework that will determine the overall outcome, but a combination of elements will be a determining factor.

MONEYVAL questions and answers


## How are firms selected for interview by the MONEYVAL assessors?

MONEYVAL will send a questionnaire to the Isle of Man ahead of the on-site assessment, and request details of supervised entities. They will likely ask for entities to be highlighted, such as the largest and smallest entity in each sector, those with the highest or lowest turnover, those with the most or fewest customers, etc.

The assessors will then select which entities they wish to meet. It is very much up to the entity whether they wish to speak to the assessors, although we hope that firms and individual will be willing to take part on behalf of the Island.

When the assessors are on Island, they are also able to select more/additional entities on a day-by-day basis. We will be organising briefing sessions to give Island firms an idea of what to expect.

## Is it just the financial services sectors that are assessed?

No. The Mutual Evaluation considers Financial Institutions such as Banks, Investment and Fund Managers and Life Insurers, as well as DNFBPs such as Trust and Company Services Providers (considered to be DNFBPs under the FATF standards), VASPs, Accountants, e-Gaming, Lawyers, Lenders and Estate Agents. The NPO sector will also be subject to assessment. It also assesses how the various agencies, regulators and government bodies involved in these areas exercise their responsibilities in relation to the FATF Methodology.

## What happens in the event of a negative outcome?

The various stakeholders involved in preparing the Island for its MONEYVAL assessment have been working hard to ensure that we are as best placed as we can be for the assessment.

Whatever the outcome, the Isle of Man Government and all relevant competent authorities will work together to ensure that any recommendations arising out of the Mutual Evaluation are prioritised and addressed as soon as possible after the adoption of the final report by the MONEYVAL Plenary.

**We would love to hear from you! Please send any questions to aml@iomfsa.im**

## What are the possible outcomes?

There are a number of outcomes which can result from the Mutual Evaluation, and these are:

**Regular Follow-up:** This is the default monitoring system where no material issues or deficiencies are identified in a jurisdiction's AML/CFT/CPF regime and involves regular reporting to the Plenary on progress of enhancements being made.

**Enhanced Follow-up:** This is a much more intensive reporting process to the Plenary on progress to resolve significant deficiencies identified by the assessment team. Countries who have not made sufficient progress in their remediation can also go from Regular to Enhanced Follow-up.

**Grey-listing:** Countries can be placed directly onto the Grey-list if the deficiencies identified are serious enough to warrant this. Alternatively, countries can be added if insufficient progress has been made within a year of the Plenary taking place to address significant deficiencies.

**Non-Equivalent jurisdiction:** Deficiencies identified can result in other jurisdictions no longer being able to rely on the evaluated country's regulatory framework and enhanced due diligence measures being required in respect of individuals and companies connected to that country.

## What is a good outcome for the IOM?

Recommended actions are inevitable for all jurisdictions, regardless of how well prepared they are, and how well they perform in the assessment. This will be the case for the Isle of Man also. The evaluation is in effect part of a continuing assessment, and the recommended actions are critical for ensuring that the Isle of Man continues to fight ML/TF/PF effectively with its international partners.