



ISLE OF MAN  
FINANCIAL SERVICES AUTHORITY

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**December 2025**

# **AML/CFT SUPERVISION DIVISION**

## **BUSINESS RISK ASSESSMENT THEMATIC 2025/26 – PHASE 1 REPORT**

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# Glossary of Terms

<b>AML/CFT</b>	Anti-Money Laundering / Countering the Financing of Terrorism
<b>Authority</b>	The Isle of Man Financial Services Authority
<b>BRA</b>	Business Risk Assessment
<b>CIS</b>	Collective Investment Schemes
<b>Code</b>	The Anti-Money Laundering and Countering the Financing of Terrorism Code 2019
<b>DNFBP</b>	Designated Non-Financial Businesses and Professions
<b>FIU</b>	Financial Intelligence Unit
<b>GII</b>	General Insurance Intermediary
<b>Handbook</b>	The Anti-Money Laundering and Countering the Financing of Terrorism Handbook
<b>IFA</b>	Independent Financial Adviser
<b>ML/FT/PF</b>	Money Laundering / Financing of Terrorism/ Proliferation Financing
<b>MLRO</b>	Money Laundering Reporting Officer
<b>NRA</b>	National Risk Assessment
<b>Relevant Person</b>	Means a person carrying on business in the regulated sector which is included in paragraphs 2(6)(a) to (t) of Schedule 4 to the Proceeds of Crime Act 2008
<b>Registered Person</b>	Means a person registered under section 9 of the Designated Businesses (Registration and Oversight) Act 2015

# 1 Background

## 1.1 - Executive Summary

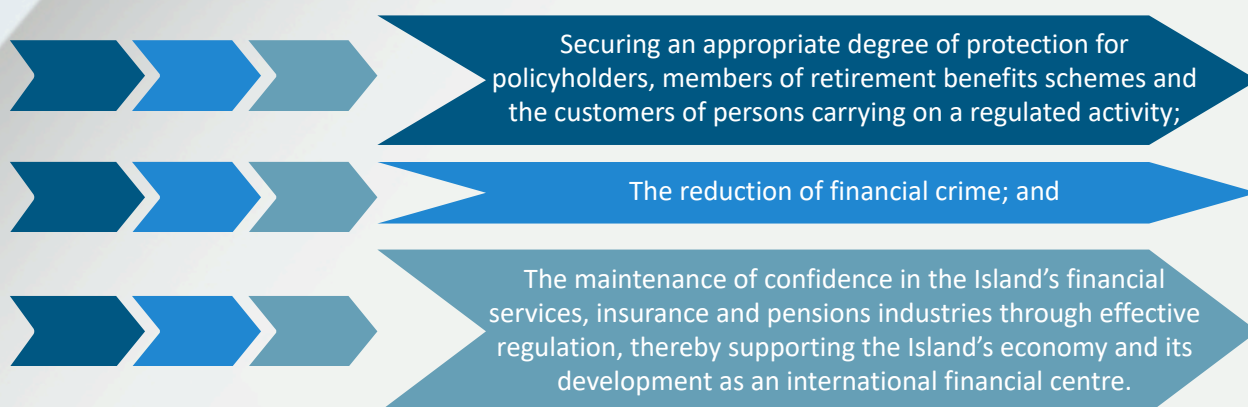
The Authority has commenced an AML/CFT thematic project covering the BRA requirements in accordance with paragraph 5 of the Code.

Following the completion of the BRA thematic in 2023/2024, which focused on the Trust and Corporate Service Provider ("TCSP") sector, a cross-sectoral repeat of the thematic is underway. The focused TCSP BRA thematic produced a Phase 1 BRA Questionnaire Report in July 2023 and a Phase 2 BRA Inspections Report in January 2024; both reports are available to view on the right.

As part of the cross-sectoral BRA thematic, the Authority will be reviewing the extent to which relevant persons have undertaken an assessment of the exposure to risks such as ML, TF and PF, and operated a document resulting in a BRA to analyse and mitigate their risks effectively, applying the preventative measures set out in the Code.



The Authority's work is driven by its three main regulatory objectives:



Key in achieving these objectives is the Authority's oversight and supervisory functions, which include undertaking supervisory inspections and thematic reviews. Thematic reviews are an important part of the Authority's supervisory approach, offering an efficient and effective way to identify and inform our picture of risk.

As with the focused TCSP BRA thematic undertaken in 2023/24, this cross-sectoral BRA thematic exercise is made up of two phases; Phase 1 consisting of a questionnaire and Phase 2 of desk-based inspections. The Phase 1 questionnaire was issued to 30 relevant persons, split as follows:

1	Bank	1	TCSP
2	GII	2	Services to CIS
3	Life Insurers	5	Asset/Invest. Manager
5	IFA	11	DNFBP



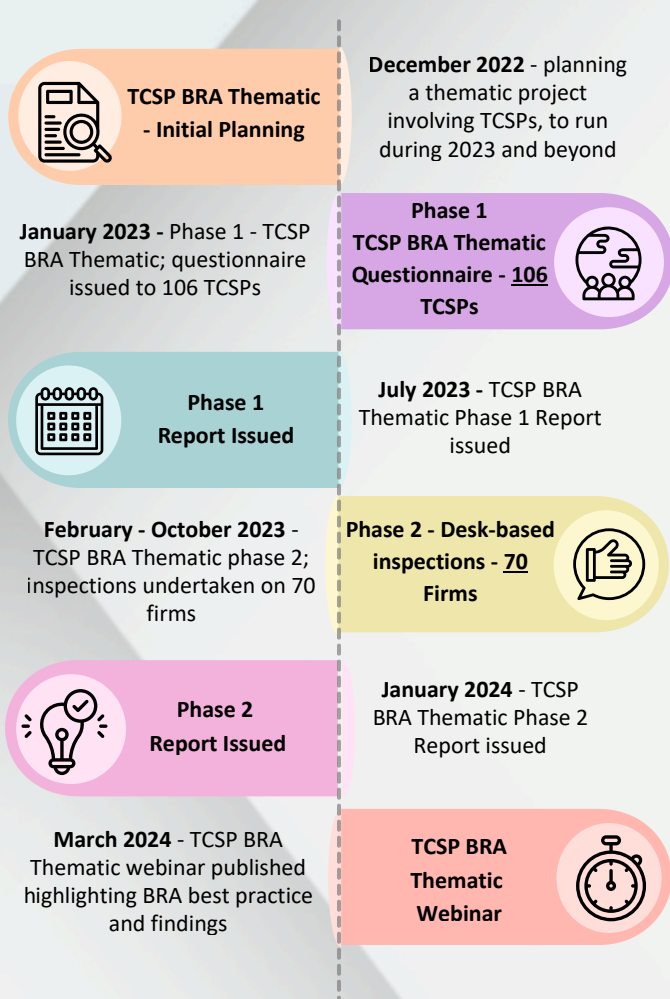
The thematic focuses on a cross-sectoral sample, identifying trends when compared to the 2023 TCSP thematic to assess whether this 2025 sample is indicating an improved position of compliance around the BRA (paragraph 5 of the Code) based on the responses received from the questionnaires and the Authority's outreach following the 2023 thematic.

The aim of this thematic is therefore to build on the observations and best practices published in the Phase 1 and Phase 2 TCSP BRA Thematic reports, and to strengthen the Authority's understanding of relevant persons' BRA frameworks across the different sectors.

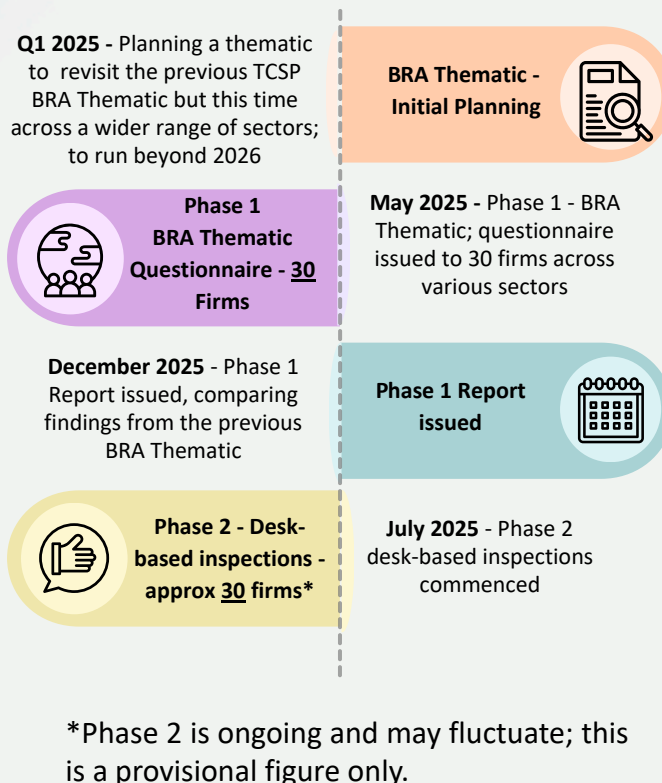
This report outlines the results from the first phase of the cross-sectoral BRA thematic, providing a comparison with the answers collected as part of the Phase 1 questionnaire in 2023. It includes the Authority's insights and observations on the data and highlights some best practice points. Phase 2 of the project, consisting of desk-based thematic inspections, is currently ongoing and is intended to run beyond 2025; a Phase 2 report will be issued following the project's completion.

## 1.2 - Thematic Timelines

### 2023 TCSP BRA Thematic Timeline



### 2025 BRA Thematic Timeline



## 1.3 - Thematic Scope



Prior to the Phase 1 questionnaire being issued, existing information and data was collated and analysed on all registered and licensed entities. The following parameters were considered when selecting entities for Phase 1 of the project:

- AML/CFT annual statistical returns;
- year licensed/registered;
- full inspection history;
- any compliance / business meetings held;
- any upcoming planned engagement; and
- findings from the 2023 TCSP BRA Thematic.

## 1.4 - Phase 1 Questionnaire Overview

The Phase 1 BRA questionnaire was made up of five sub-sections as follows:

- BRA - Procedures and Controls
- BRA - Review
- BRA - Approval
- BRA - Methodology
- BRA - Risk Factors and Considerations

The below sections of this report go through each sub-section included within the questionnaire, highlighting the results of each question and where possible, comparing these to the results from the Phase 1 TCSP BRA Thematic 2023/24.

### Business Risk Assessment

**5 (3) The BRA must have regard to all relevant risk factors including —**

- **(a)** the nature, scale and complexity of the relevant person's activities;
- **(b)** any relevant findings of the most recent NRA relating to the Island;
- **(c)** the products and services provided by the relevant person;
- **(d)** the manner in which the products and services are provided, including whether the relevant person meets its customers;
- **(e)** the involvement of any third parties for elements of the customer due diligence process, including where reliance is placed on a third party;
- **(f)** customer risk assessments carried out under paragraph 6; and
- **(g)** any technology risk assessment carried out under paragraph 7.

Following an analysis of the 2025 data compared to the responses from the 2023 questionnaire, the Authority has observed indicators that showed enhancements in a number of areas, including the BRA reviews and approval. Notably, there has been an increased input into the review of relevant persons' BRAs with more employees made aware of the risks, controls and conclusions contained within the BRA.

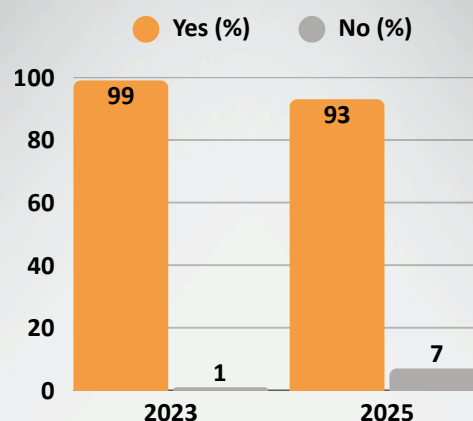
An area which may need improvement is that firms should consider establishing a documented risk assessment methodology. Additionally, it is essential for the BRA to make regard to, consider and assess any pertinent risk factors, especially the prescribed factors outlined in paragraph 5 of the Code.

## 2 BRA - Procedures and Controls

### Question 1 - Is there currently a documented BRA in place?

Question 1 evidences a similar level in compliance, with 1 entity (1%) in 2023 and 2 entities (7%) in 2025 confirming that they did not have a documented BRA in place.

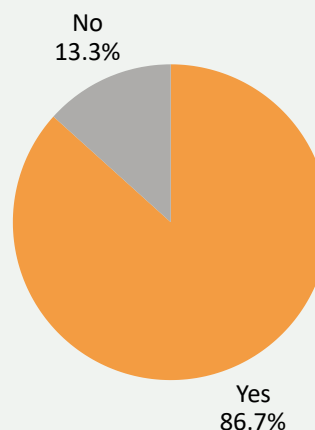
It is important to note that in line with paragraph 5 of the Code, all relevant persons must have a documented BRA in place to record, manage and mitigate ML/FT/PF risks posed by the relevant person's business and customers. The BRA is key in assisting relevant persons to understand where, how and to what extent they are exposed to ML/FT/PF risk, and which areas of their business they should prioritise in combatting ML/FT/PF.



### Question 2 - Is there a documented policy and/or procedure in place in respect of the BRA?

Of the 30 entities included within the 2025 BRA questionnaire, 26 (86.7%) confirmed they have a policy and/ or procedure in place in respect of the BRA, while 4 (13.3%) answered 'No'.

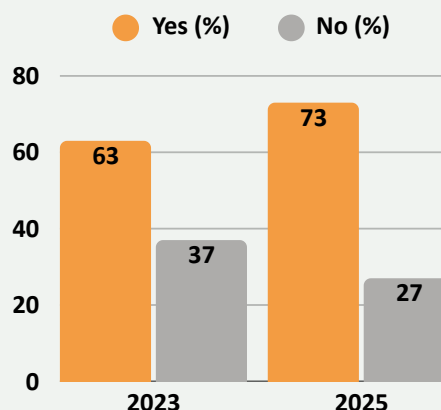
Per paragraph 4 of the Code, relevant persons must establish, record, operate and maintain procedures and controls in order to comply with each paragraph within Parts 3 to 9 of the Code; this includes the BRA.



### Question 3 - Is there a documented policy and/or procedure in place to enable a copy of the BRA to be provided to the Authority when requested to do so?

Question 3 shows an improvement in relevant persons' procedures and ability to supply documentations as required and requested.

In 2023, 67 (63%) out of 106 entities answered as 'Yes' and 39 (37%) as 'No'. In 2025, 22 (73%) out of 30 entities answered as 'Yes' and 8 (27%) answered as 'No'.



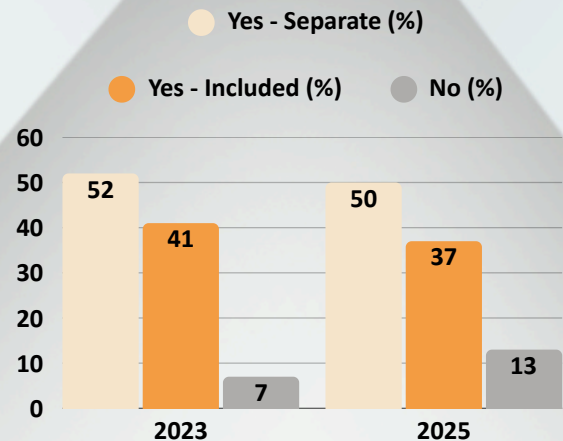
#### Question 4 - Is there a documented risk appetite in place?

Of the 106 entities included in the **2023** questionnaire:

- 55 (52%) answered 'Yes - as a separate document';
- 43 (41%) 'Yes - as part of the BRA'; and
- 8 (7%) 'No documented risk appetite'

Of the 30 entities included in the **2025** questionnaire:

- 15 (50%) answered as 'Yes - as a separate document';
- 11 (37%) 'Yes - as part of the BRA'; and
- 4 (13%) 'No documented risk appetite'



All relevant persons should have a documented risk appetite statement in place, either as part of the BRA or within a separate document, making clear the types of risks and risk levels they are prepared to accept. This will better evidence the management and control of potentially unwanted, high risk, or out of scope business and customers.

#### Question 5 - Is there a documented AML/CFT policy in place?

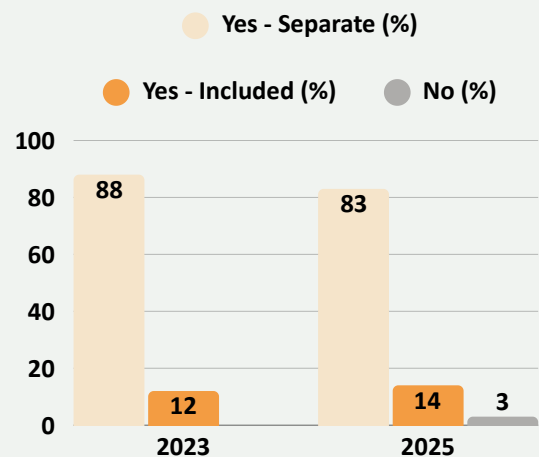
Question 5 shows similar levels of compliance.

Of the 106 entities included in the **2023** questionnaire:

- 93 (88%) answered as 'Yes, as a separate document'; and
- 13 (12%) as 'Yes, as part of the BRA'

Of the 30 entities included in the **2025** questionnaire:

- 25 (83%) answered as 'Yes, as a separate document';
- 4 (14%) as 'Yes - as part of the BRA'; and
- 1 (3%) as 'No AML/CFT policy in place'



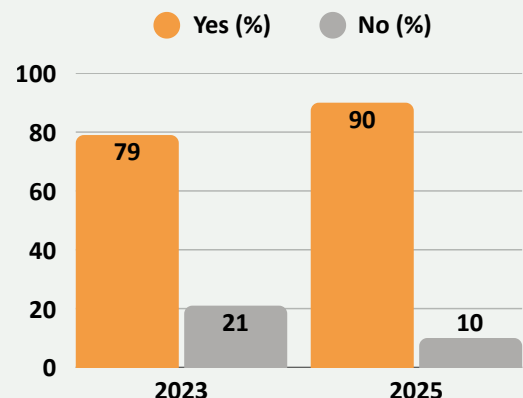
All relevant persons must have a documented AML/CFT policy in place in order to evidence compliance with various relevant Code paragraphs.

#### Question 6 - Are employees made aware of the risks, controls and conclusions contained within the BRA?

Question 6 shows that there has been an improvement in employee exposure to the risks and controls contained within the BRA.

In 2023, 84 (79%) of 106 firms answered "Yes" and 22 (21%) as "No".

In 2025, 27 (90%) out of 30 firms answered as "Yes" and 3 (10%) as "No".



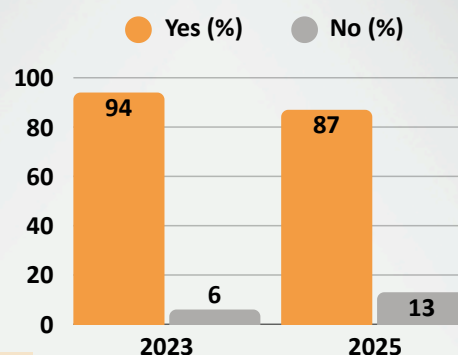


All relevant persons should take appropriate measures in making its employees aware of the risks, controls, assessments and conclusions contained within the BRA, in order to better collectively apply and action its findings, and operate the documented measures and controls.

Per paragraph 4(1)(b) of the Code, relevant persons must take appropriate measures for the purpose of making employees and workers aware of the AML/CFT legislation and the procedures and controls established, recorded, maintained and operated under paragraph 4(1)(a) of the Code, including the entity's BRA.

## Question 7 - Are records of superseded BRAs retained?

Overall, within the 2025 questionnaire, 26 entities (87%) responded "Yes", highlighting that records of superseded BRAs are retained, whilst 4 (13%) confirmed they do not retain previous BRA records. In contrast, in 2023, 100 (94%) out of 106 entities responded "Yes", and 6 (6%) answered "No"; this represents a slight decline.

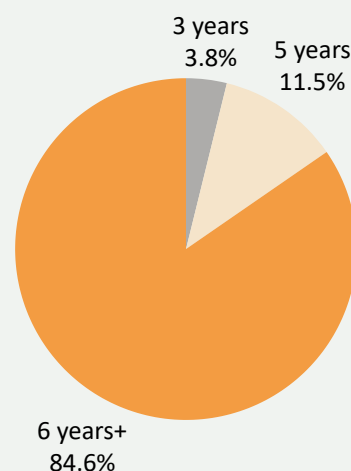


## Question 8 - Confirm the number of years superseded BRAs are retained for.

Out of the 26 entities in 2025 who confirmed they retain copies of superseded BRAs, the following answers were provided:

- 1 entity - 3 years
- 3 entities - 5 years
- 22 entities - 6 years +

In order to demonstrate compliance with paragraphs 4, 5, 33, 34 and 35 of the Code, relevant persons must retain and document all previous versions, copies, updates, amendments and reviews for a minimum of 5 years.

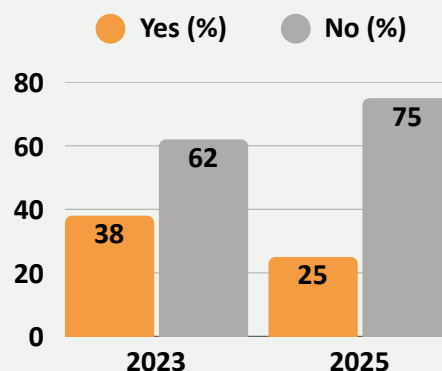


## Question 9 - 10 - Are there any deficiencies or areas for development self-identified within the BRA?

*Please provide details of the deficiencies identified within the BRA.*

Out of the 28 entities that responded "Yes" to having a BRA in 2025, 7 (25%) self-identified areas of deficiencies or development, however, the majority of respondents confirmed they have no self-identified deficiencies or development areas, with 21 (75%) responding 'No'.

In contrast, in 2023, of the 106 respondents, 40 (38%) answered with "Yes" and 66 (62%) with "No".



The BRA (and/or the reports to the Board/senior management under paragraph 30) would be a suitable place to document any self-identified deficiencies or areas for development, and action taken to remedy any deficiencies, as set out in paragraph 30 of the Code.

Best practices identified to mitigate deficiencies include but are not limited to;

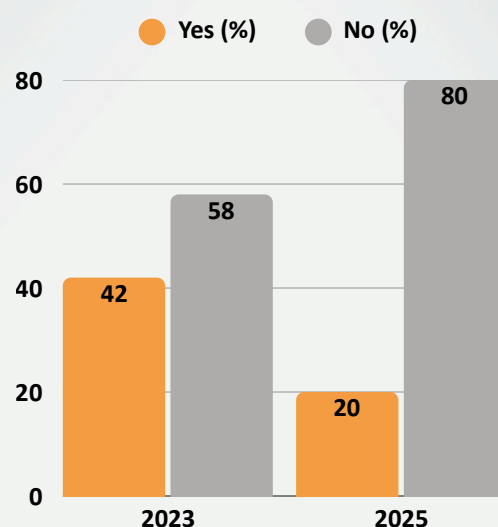
- Robust coverage of risks presented by other financial crimes.
- Incorporation and utilisation of up to date management information.

## Question 11 - 12 - Are there any deficiencies or areas for development self-identified within the systems and controls?

*Please provide details of the deficiencies identified within the systems and controls.*

Overall, 6 entities (20%) in 2025 responded “Yes” identifying areas for development within their systems and controls, while 24 (80%) responded “No”. In contrast, in 2023, of the 106 respondents, 44 (42%) answered with a “Yes”, and 62 (58%) with “No”.

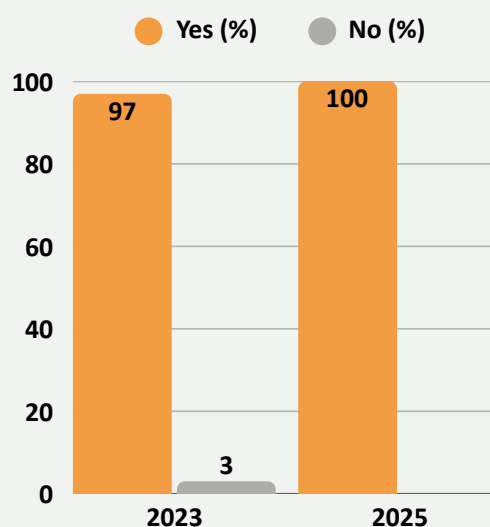
Relevant persons should ensure that systems and controls have been assessed, and relevant measures are put in place to mitigate self-identified deficiencies; this is a strong compliance measure which allows the relevant person to demonstrate what documented actions have been taken.



## Question 13 - Have systems and controls been designed and implemented to mitigate the risks identified in the BRA?

Of the 28 entities who said they have a BRA in 2025, all confirmed they have controls designed to mitigate the risks identified in the BRA. Compared to 2023, where 103 (97%) answered “Yes” and 3 (3%) “No”. This shows an improvement.

Relevant persons should prepare a BRA with the objective of carrying out an assessment that estimates the risk of ML/FT posed by their business activities and customers, which should form the basis of the relevant person’s risk based approach and risk appetite. This subsequently informs their policies, procedures, and controls.

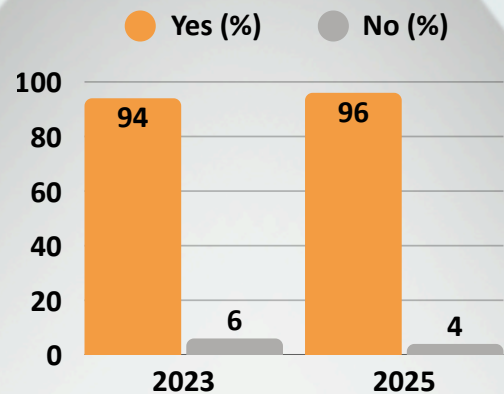




**Question 14 - Have systems and controls been tested to ensure they are effective in mitigating the risks identified in the BRA?**

Of the 28 entities who confirmed to have a BRA, 27 (96%) confirmed that systems and controls have been assessed to ensure they are effective in mitigating the risks identified in the BRA; this is consistent with the findings of 2023, where 100 (94%) answered “Yes”.

As part of a relevant person’s reviews of the BRA, systems and controls should be continuously assessed for their effectiveness in mitigating the risks identified.



**Question 15 - 16 - Does the board/senior management consider what barriers (including cultural barriers) exist to prevent the operation of effective systems and controls?**

*If any barriers identified, please provide further details.*

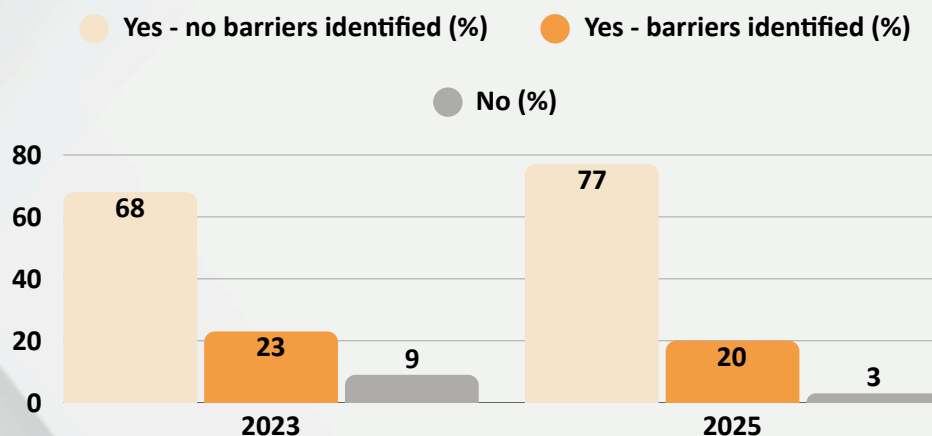
Question 15 denotes similar trends across the two years, with some improvement in being noted in 2025.

Of the 106 entities included in the **2023** questionnaire:

- 72 (68%) answered ‘Yes, no barriers’;
- 24 (23%) as ‘Yes, barriers identified’; and
- 10 (9%) as ‘No consideration’

Of the 30 entities included in the **2025** questionnaire

- 23 (77%) answered ‘Yes, no barriers’;
- 6 (20%) as ‘Yes, barriers identified’; and
- 1 (3%) as ‘No consideration’



Barriers identified included but were not limited to, matters such as resourcing and governance frameworks.

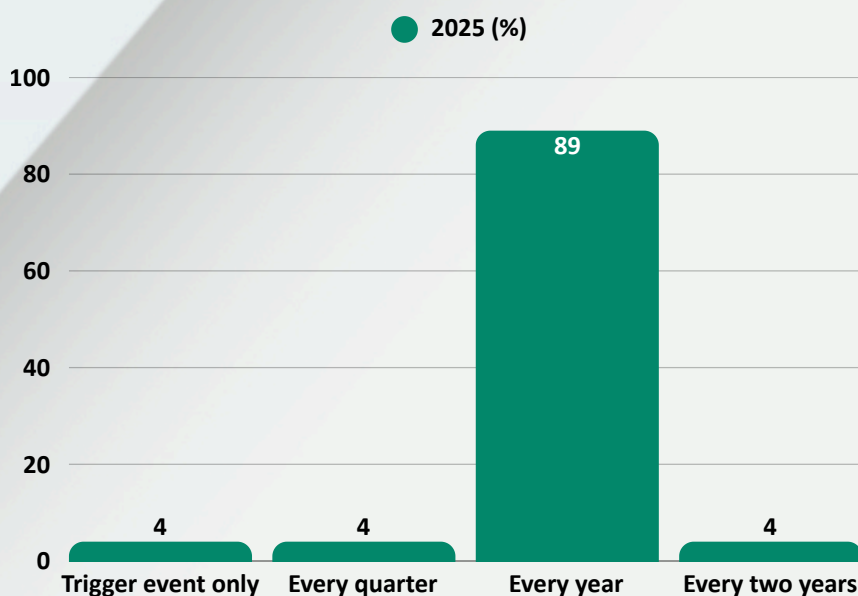
As a matter of best practice, when assessing the operation of effective systems and controls, the relevant person should consider and document all aspects that may affect the success of the system and controls implemented as mitigation measures in the BRA.

### 3 BRA - Review

#### Question 17 - How often is the BRA scheduled to be reviewed?

Of the 28 entities who confirmed they have a BRA in 2025, the majority reported having a regular BRA review cycle, with 25 (89%) confirming an annual scheduled review, 1 entity each (4%) confirming a review cycle of every quarter or every two years, and 1 reporting that reviews were driven by trigger events only.

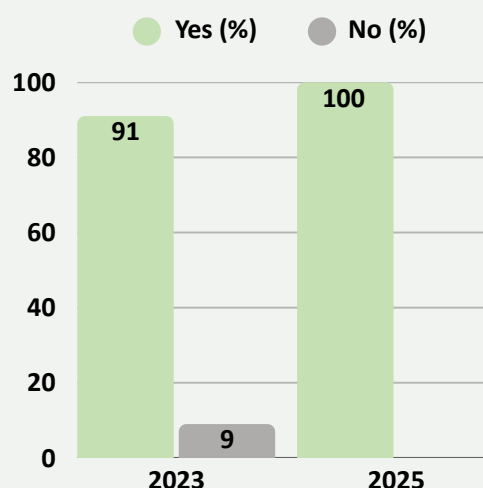
The Authority would like to reiterate that the BRA must be reviewed periodically, ensuring the assessment remains accurate and up-to-date. Reviews should be clearly documented and recorded in order to evidence compliance with the Code. Relevant persons should consider including a detailed version/control history within the BRA which shows details such as the date of review, the reviewer, the change(s) undertaken, and senior management approval.



#### Question 18 - Is the BRA reviewed when events (internal or external) occur that may materially change the ML/FT risk?

Of the 28 entities who confirmed to have a BRA in 2025, 100% confirmed that the BRA is reviewed when either internal or external events occur that may materially change the ML/FT risk. This shows an improvement from the 2023 questionnaire, for which 97 out of 106 (91%) confirmed to review the BRA when an event occurred.

The BRA must be reviewed periodically, but in order to ensure the relevant person can manage and mitigate its ML/FT/PF risks, the BRA should also be reviewed when circumstances change, trigger events occur, or relevant new threats or technologies emerge.

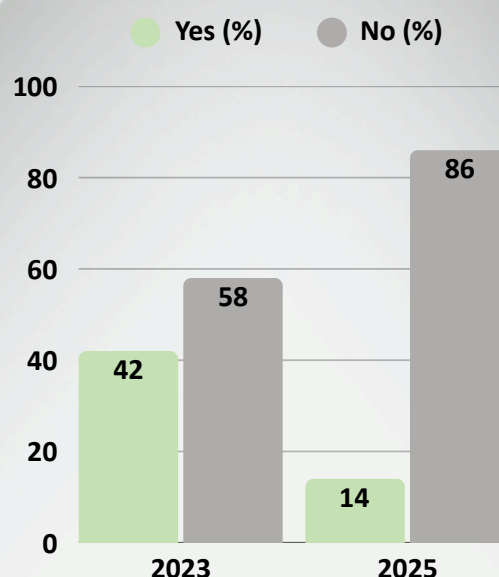


### Question 19 - 20 - Have any events (internal or external) occurred in the last year which have materially changed the BRA?

*Please provide details of the event(s).*

Of the 28 entities who confirmed to have a BRA, 4 (14%) responded “Yes”, a drop from 2023 where 45 entities (42%) responded in the affirmative. The majority responded “No” in both 2025 (14 entities, 86%) and in 2023 (61, 58%).

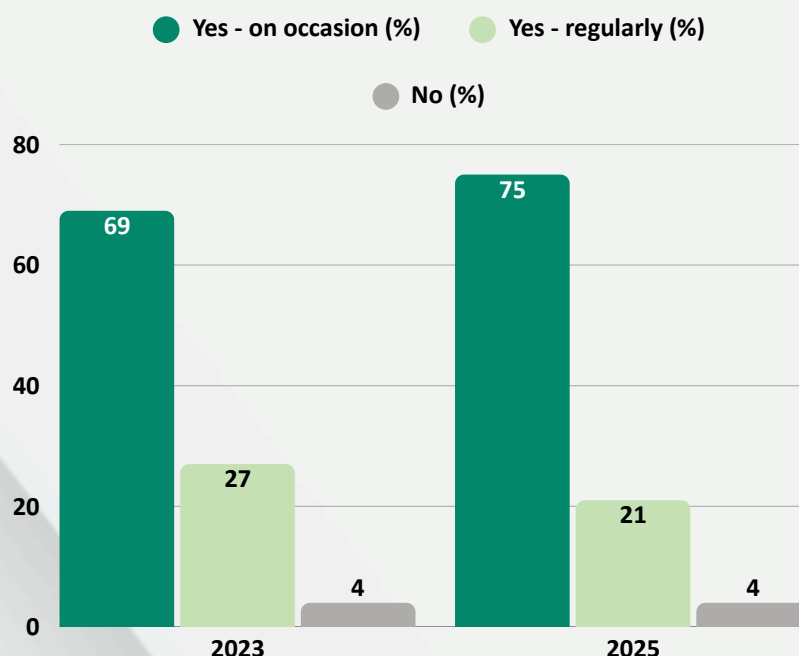
The Code expects relevant persons to monitor their risks on an ongoing basis and take prompt action if any deficiencies or areas for enhancement are identified. The Authority also expects relevant persons to review the BRA on an ad-hoc basis in addition to any routine/annual updates or reports to senior management and/or the board, especially at the occurrence of any trigger event or when circumstances or information changes that could affect the ML/FT/PF risk posed. This aids in evidencing a robust compliance programme in line with paragraphs 5(2)(c) and 30 of the Code.



### Question 21 - Except for any scheduled reviews, would the BRA ever be reviewed and updated following a trigger event?

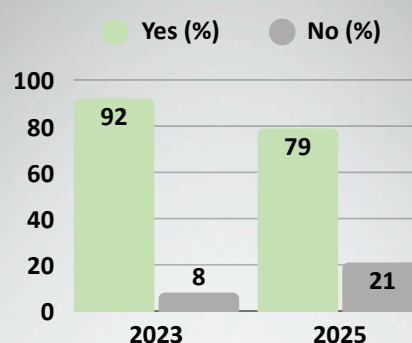
In comparison, the results from this question have remained relatively similar from 2023 to 2025. Of the 28 entities who confirmed to have a BRA in 2025, 27 responded “Yes”, with 21 (75%) disclosing that this is completed on occasion, and 6 (21%) confirming this is undertaken regularly. For both years, 4% responded “No”.

The BRA should be operated and maintained as a living document that is regularly updated following any relevant internal or external trigger events. Trigger events could include but are not limited to changes and updates or changes to legislation, guidance, risk information, the National Risk Assessment or National Risk Appetite Statement, or when relevant events or risks occur.



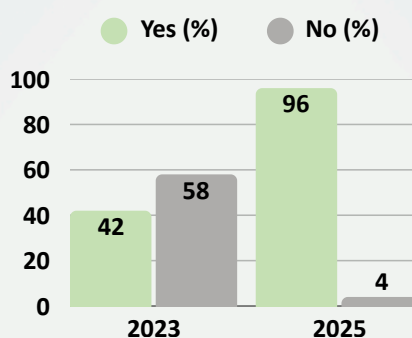
### Question 22 - Do all of the board/senior management have input into the BRA review?

Out of the 28 entities who confirmed to have a BRA in 2025, 22 (79%) responded “Yes” and 6 (21%) “No”. In comparison, in 2023, 97 (92%) responded “Yes” and 9 (8%) “No”. Whilst this indicates a decline, this could be explained by specific members of the board/senior management have input into the BRA review.



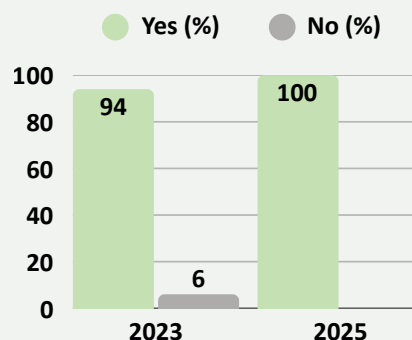
### Question 23 - Do one or some of the board/senior management have input into the BRA review?

Of the 28 entities who confirmed to have a BRA in 2025, 27 (96%) responded “Yes” and 1 (4%) “No”. In comparison, in 2023, 45 (42%) responded “Yes” and 61 (58%) “No”. This represents a significant increase of 54%, but as noted above, could indicate that specific members of the board/senior management have input into the BRA review.



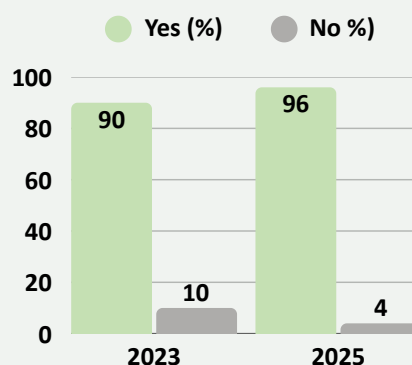
### Question 24 - Does the MLRO have input into the BRA review?

Out of the 28 entities, all (100%) responded “Yes” in 2025. In comparison, in 2023, 100 (94%) responded “Yes” and 6 (6%) “No”. This represents an increase in MLRO’s involvement in BRA reviews.



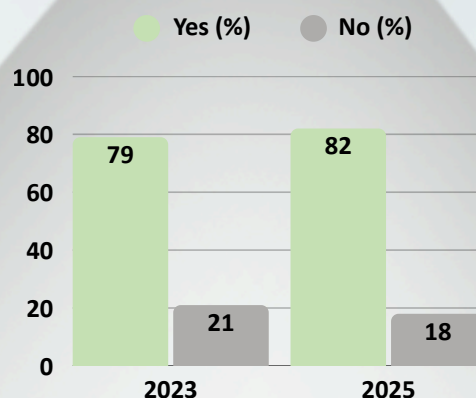
### Question 25 - Does the Head of Compliance have input into the BRA review?

Out of the 28 entities confirming to have a BRA in 2025, 27 (96%) responded “Yes” and 1 (4%) “No”. In comparison, 95 (90%) responded “Yes” in 2023 and 11 (10%) “No”. This represents an increase in the involvement of Heads of Compliance in BRA reviews.



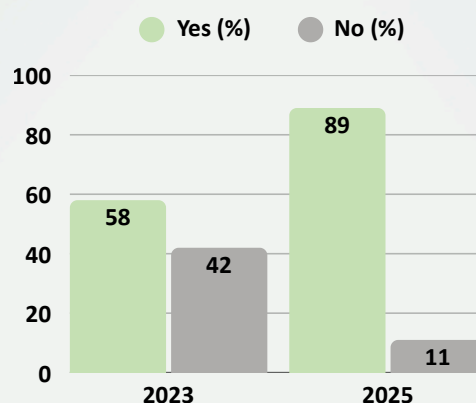
### Question 26 - Does the compliance officer/ compliance function have input into the BRA review?

Of the 28 entities who confirmed to have a BRA in 2025, 23 (82%) responded “Yes” and 5 (18%) “No”. In comparison, 84 entities (79%) in 2023 responded “Yes” and 22 (21%) “No”. This represents a slight increase in compliance officer/compliance function involvement in BRA reviews.



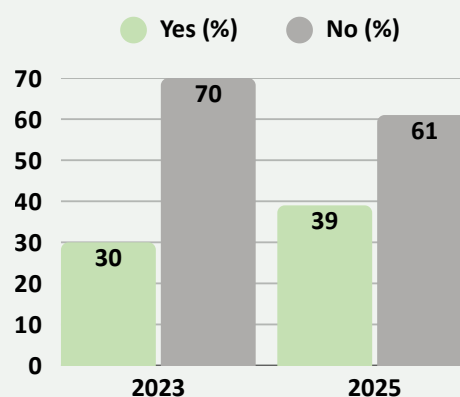
### Question 27 - Does the risk function have input into the BRA review?

Of the 28 entities in 2025, 25 (89%) responded “Yes” and 3 (11%) “No”. In comparison, 62 entities (58%) responded “Yes” in 2023 and 44 (42%) “No”. This represents a marked increase in the risk function’s involvement in BRA reviews.



### Question 28 - Do employees (at all levels) have input into the BRA review?

Of the 28 entities who confirmed to have a BRA in 2025, 11 (39%) responded “Yes” and 17 (61%) “No”. In comparison, 32 (30%) responded “Yes” in 2023 and 74 (70%) “No”. This represents a percentage increase in employees’ (at all levels) involvement in BRA reviews.



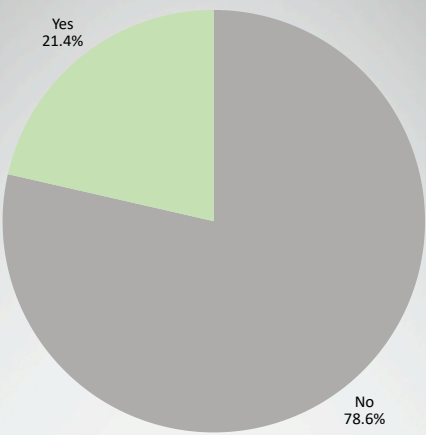


**Question 29 - 30 - Does anyone else input into the BRA review?**

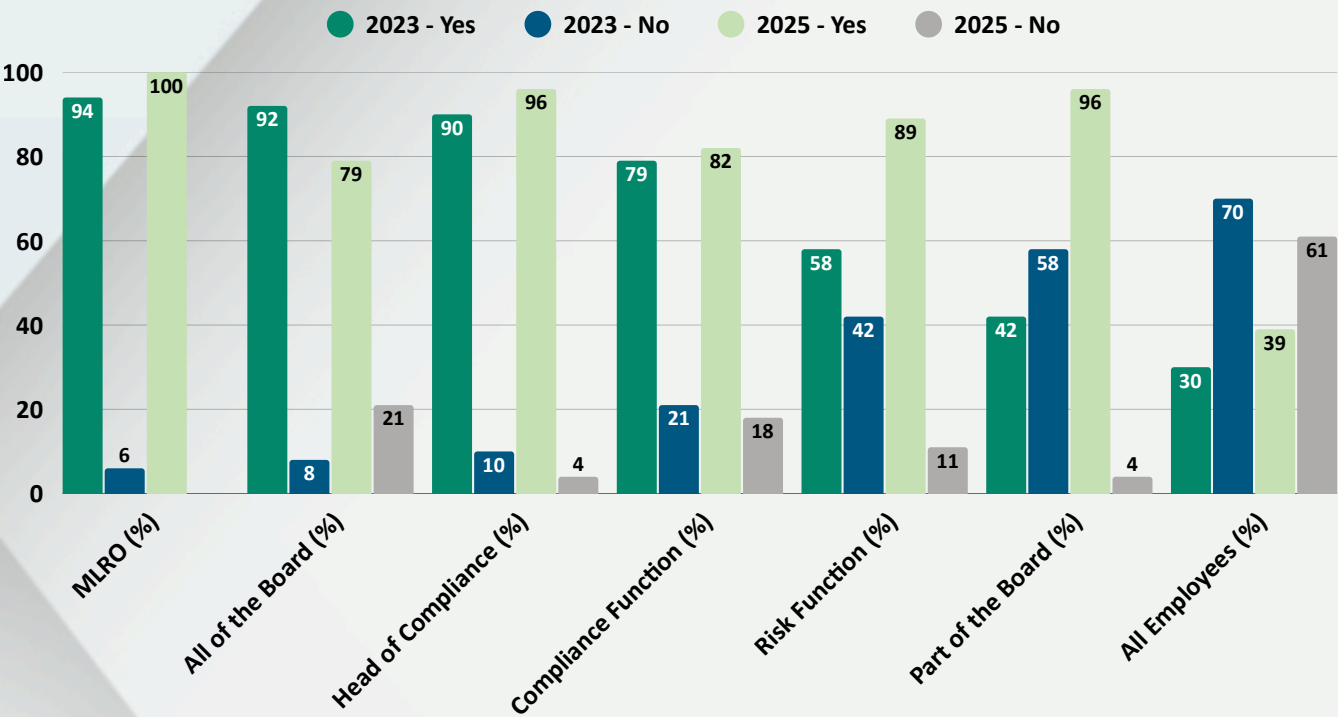
*Please specify who else inputs into the BRA review*

Of the 28 entities who confirmed to have a BRA in 2025, 6 noted that there is input from others than those represented above.

- Those specified included:
- External compliance consultants.
  - Members of the group risk function.



Overall year on year, when comparing the 2023 and 2025 data, there has been increased input into the review of relevant persons’ BRAs: -

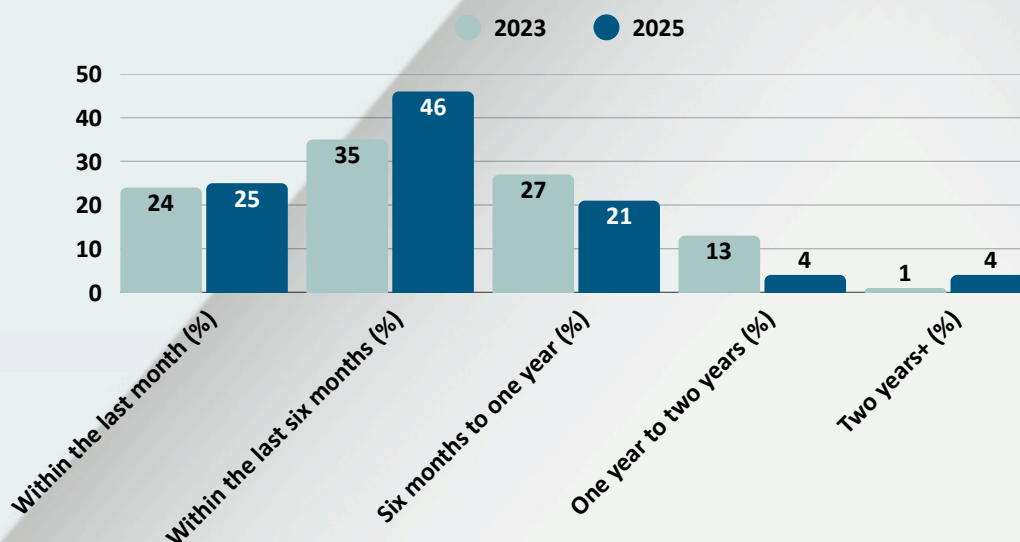




## 4 BRA - Approval

### Question 31 - When was the BRA last approved?

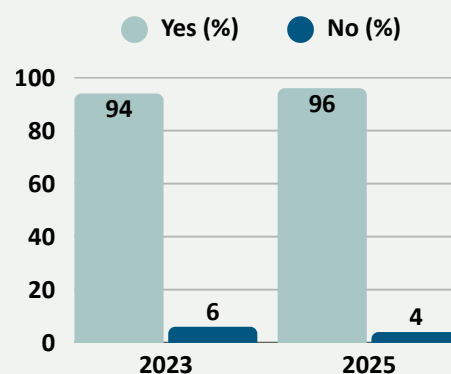
For responses in both 2025 and 2023, the majority of entities confirmed that the BRA was most recently approved within the last 6 months. When comparing the 2023 and 2025 data, there has been an increase in relevant persons who have approved their BRA within the last year, with 93% reported as such in 2025, compared to 86% in 2023. Overall, the below statistics were reported:



### Question 32 - Is there documentation (such as formal meeting minutes) which evidences the consideration and approval of the BRA?

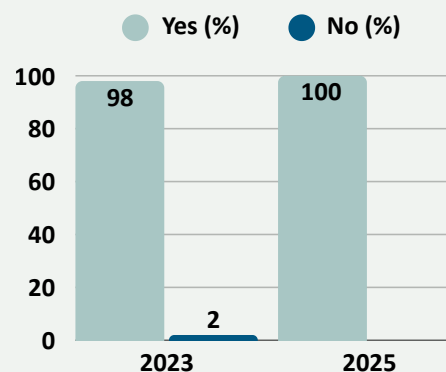
Of the 28 entities who confirmed to have a BRA in 2025, 27 (96%) responded "Yes" and 1 (4%) "No". In comparison, 100 entities (94%) responded "Yes" in 2023 and 6 (6%) "No".

In line with paragraph 5(2)(c) of the Code, details of any reviews or updates must be documented and recorded, with approvals and assessments of the BRA also maintained. Relevant persons should therefore clearly document and record the BRA's consideration and approval in order to evidence compliance with the Code.



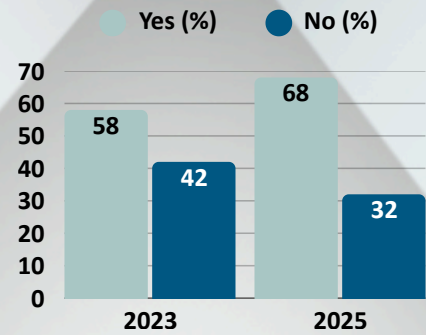
### Question 33 - Is the board/senior management responsible for approving the BRA?

In 2025, all 28 entities (100%) who reported to have a BRA responded "Yes". In comparison with the 2023 data, 104 entities (98%) responded "Yes" and 2 (2%) "No". This represents an increase in the involvement of the board/senior management in BRA reviews.



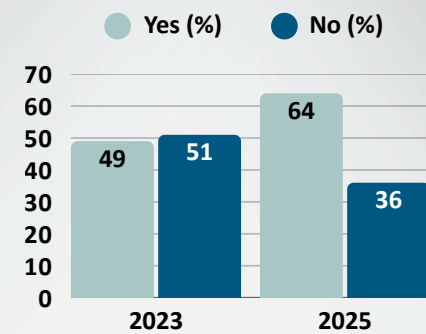
### Question 34 - Is the MLRO responsible for approving the BRA?

Of the 28 entities who confirmed to have a BRA in 2025, 19 (68%) responded "Yes" and 9 (32%) "No". In comparison, 61 entities (58%) responded "Yes" in 2023 and 45 (42%) "No". This represents an increase in MLRO approval of BRAs.



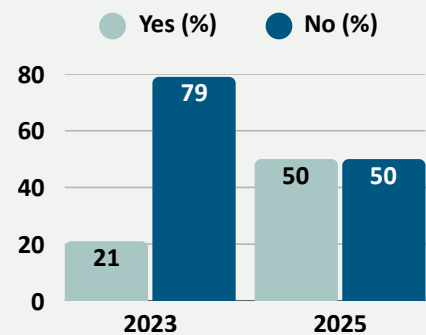
### Question 35 - Is the Head of Compliance responsible for approving the BRA?

Of the 28 entities who confirmed to have a BRA in 2025, 18 (64%) responded "Yes" and 10 (36%) "No". In comparison, 52 (49%) in 2023 responded "Yes" and 54 (51%) "No". This represents an increase in Head of Compliance approval of BRAs.



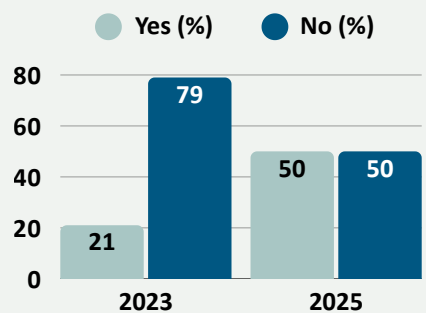
### Question 36 - Is the compliance officer/ compliance function responsible for approving the BRA?

Of the 28 entities who confirmed to have a BRA in 2025, there was an even split, with 14 (50%) responding "Yes" and 14 (50%) "No". In comparison, in 2023, 22 entities (21%) responded "Yes" and 84 (79%) "No". Overall, there has been an increase in compliance officer/compliance function's involvement in the approval of BRAs.



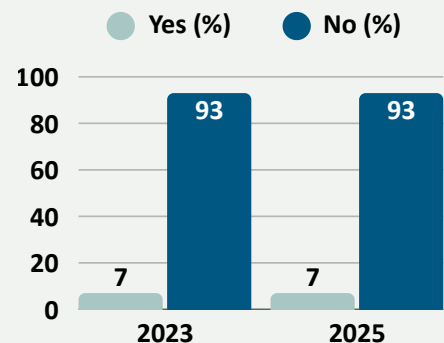
### Question 37 - Is the risk function responsible for approving the BRA?

Of the 28 entities who reported to have a BRA in 2025, there was an even split, where 14 (50%) responded "Yes" and 14 (50%) "No". In comparison, in 2023, 22 entities (21%) responded "Yes" and 84 (79%) "No". There has been an increase in the risk function's involvement in the approval of BRAs.



### Question 38 - 39 - Is anyone else responsible for approving the BRA? Please specify.

Of the 28 entities who responded confirming they have a BRA in 2025, 2 (7%) responded "Yes" and 26 (93%) "No". Similarly, in 2023, 7 (7%) responded "Yes" and 99 (93%) "No". Other approvers include but are not limited to C-suite executives.

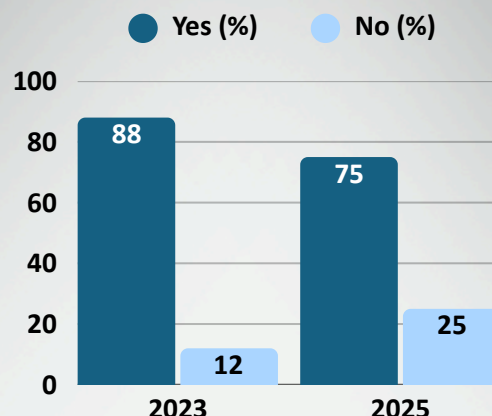


## 5 BRA - Methodology

### Question 40 - Is there a documented risk assessment methodology in place?

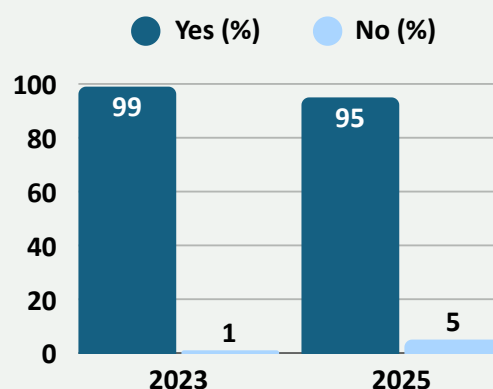
Of the 28 entities who reported to have a BRA in 2025, 21 (75%) responded “Yes” and 7 (25%) “No”. Similarly, in 2023, 93 (88%) responded “Yes” and 13 (12%) “No”.

Having a documented risk assessment methodology ensures a consistent and transparent approach which will aid relevant persons in identifying and assessing risks. As a matter of best practice, while creating and operating a risk assessment methodology, relevant persons should consider implementing the factors contained within the below questions of section 5 in this report.



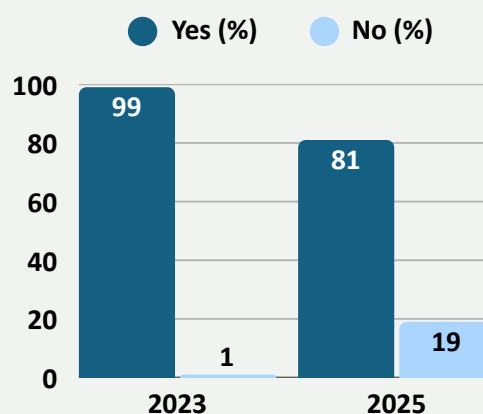
### Question 41 - Does the risk assessment methodology used for the BRA include an assessment of the inherent risks relevant to the business?

Of the 21 entities who confirmed to have a risk assessment methodology in place in 2025, 20 (95%) responded with “Yes” and 1 (5%) “No”. In comparison, in 2023, 105 (99%) responded “Yes” and 1 (1%) “No”. This represents a slight decrease in those recording inherent risks.



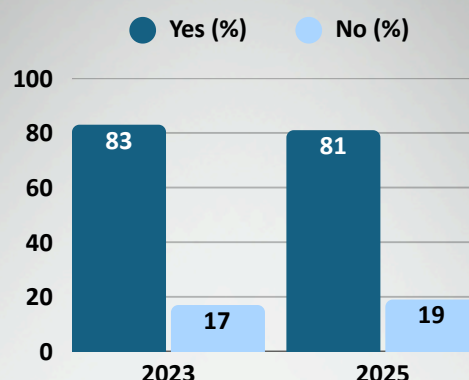
### Question 42 - Does the risk assessment methodology used for the BRA include an assessment of the impact of the above risks?

Of the 21 entities that responded to this question in 2025, 17 (81%) responded “Yes” and 4 (19%) “No”. In comparison, in 2023, 105 (99%) responded “Yes” and 1 (1%) “No”. This represents a slight decrease in those who assess the impact of inherent risks (where inherent risks are recorded).



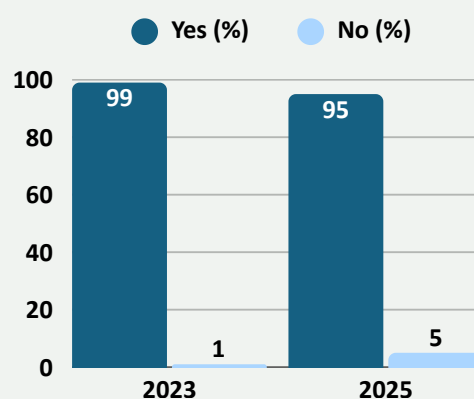
### Question 43 - Does the risk assessment methodology used for the BRA include an assessment of likelihood/probability of the above risks?

Of the 21 entities who confirmed to have a risk assessment methodology in place in 2025, 17 firms (81%) responded as “Yes” and 4 (19%) “No”. Similarly, in 2023, 88 firms (83%) responded “Yes” and 18 (17%) “No”.



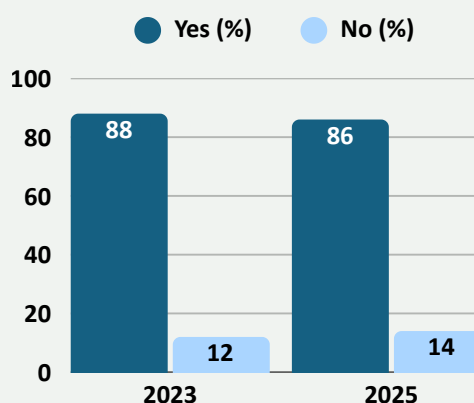
### Question 44 - Does the risk assessment methodology used for the BRA include identification of mitigating factors and controls to manage and reduce the impact of the above risks?

Of the 21 firms who confirmed to have a risk assessment methodology in 2025, 20 (95%) responded “Yes” and 1 (5%) “No”. In comparison, in 2023, 105 (99%) responded “Yes” and 1 (1%) “No”.



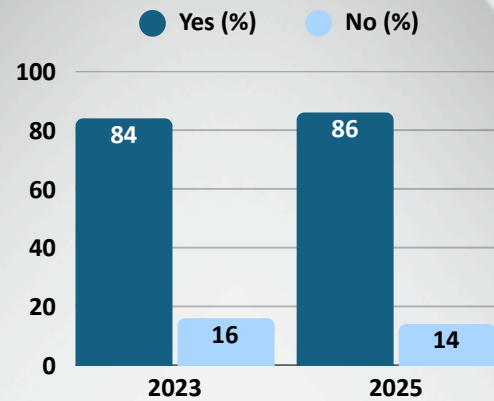
### Question 45 - Does the risk assessment methodology used for the BRA include an assessment of the effectiveness of the controls?

Question 45 denotes similar levels of compliance. Of the 21 entities that responded to this question in 2025, 18 (86%) responded “Yes” and 3 (14%) “No”. Similarly, in 2023, 93 (88%) responded “Yes” and 13 (12%) “No”.



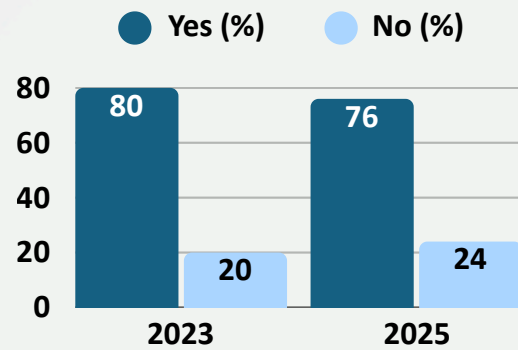
**Question 46** - Does the risk assessment methodology used for the BRA include an assessment and consideration as to whether the residual risk is within risk appetite?

Of the 21 entities who confirmed to have a risk assessment methodology in 2025, 18 (86%) responded "Yes" and 3 (14%) "No". Similarly, in 2023, 89 (84%) responded "Yes" and 17 (16%) "No".

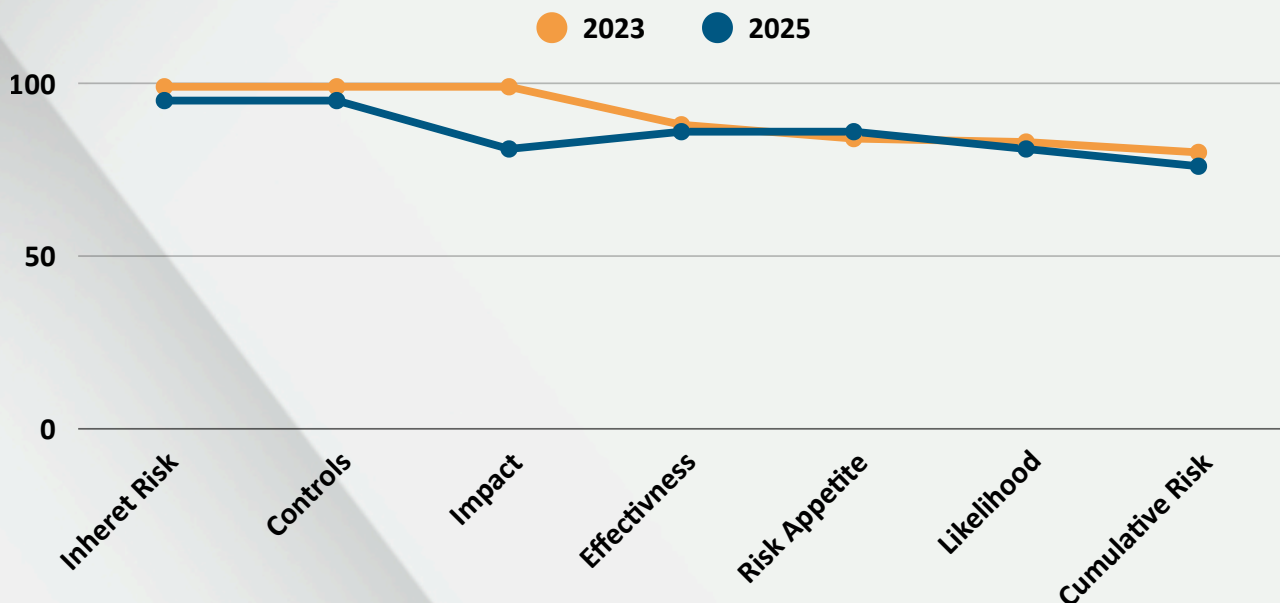


**Question 47** - Does the risk assessment methodology used for the BRA include an assessment of cumulative risk (which may exceed sum of each individual risk element)?

Of the 21 entities that responded to this question in 2025, 16 (76%) responded "Yes" and 5 (24%) "No". In comparison, in 2023, 85 (80%) responded "Yes" and 21 (20%) "No". This represents a slight decline.



Overall, when each of the factors from questions 41 to 47 are considered year on year, the trend has remained relatively similar: -



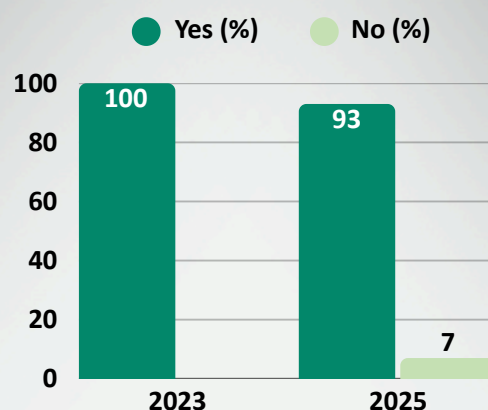


## 6 BRA - Risk Factors and Considerations

### Question 48 - Is the AML/CFT Code considered when developing or updating the BRA?

Of the 28 entities who reported to have a BRA in 2025, 26 (93%) responded "Yes" and 2 (7%) "No". In comparison, in 2023, all 106 entities (100%) responded "Yes". This represents a slight decline.

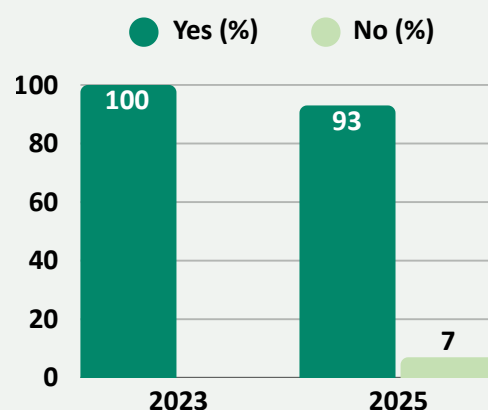
As the legislative basis of an ML/FT BRA, all relevant persons must consider the AML/CFT Code when developing, updating, or reviewing their BRA, particularly ensuring that all factors of paragraph 5(3) have been considered, assessed and documented.



### Question 49 - Is the AML/CFT Handbook (including sector guidance) considered when developing or updating the BRA?

Of the 28 entities who reported to have a BRA in 2025, 26 (93%) responded "Yes" and 2 (7%) "No". In comparison, in 2023, all 106 (100%) responded "Yes".

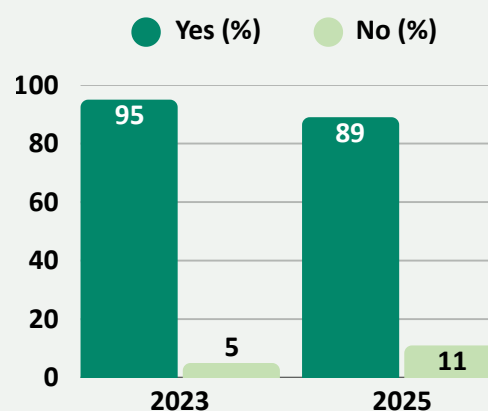
The Handbook (and sector guidance) provides information and guidance to assist relevant persons to understand, consider and satisfy their obligations under the Code. Section 2.2.8 offers guidance for firms on carrying out a BRA as required under the Code, and should be a key point of reference.



### Question 50 - Is the Isle of Man National Risk Assessment considered when developing or updating the BRA?

Of the 28 entities who reported to have a BRA in 2025, 25 (89%) responded "Yes" and 3 (11%) "No". In comparison, in 2023, 101 (95%) responded "Yes" and 5 (5%) "No".

In line with paragraph 5(3)(b) of the Code, relevant persons must have regard to the Island's most recent NRA. An assessment and analysis of any identified findings, trends, vulnerabilities and risks associated with each relevant persons' sector(s) as detailed in the Island's latest NRA is key to complying with this provision. Entities must be able to show how they have considered and mitigated the relevant risks and vulnerabilities identified.

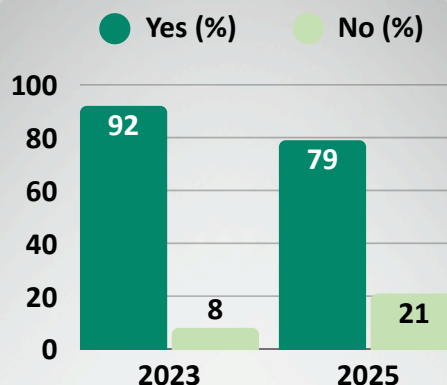




### Question 51 - Are publications from international standards setters considered when developing or updating the BRA?

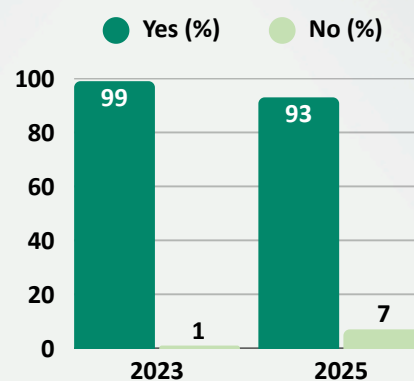
Of the 28 entities who reported to have a BRA in 2025, 22 (79%) responded "Yes" and 6 (21%) "No". In comparison, in 2023, 98 (92%) responded "Yes" and 8 (8%) "No".

As a matter of best practice, relevant persons should consider information from multiple sources (both national and international) when developing, updating and reviewing a BRA, in order to have a comprehensive and robust view of current and emerging risks posed to the entity by its business and customers. The Handbook (and sector guidance) points to key sources which may be considered.



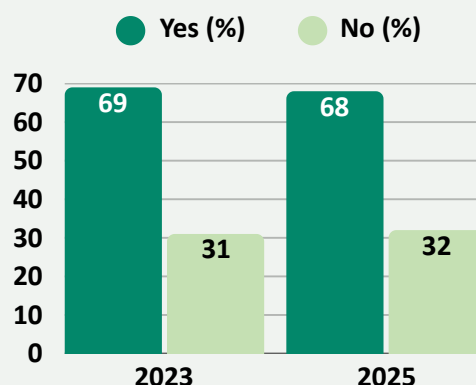
### Question 52 - Is information published by the Authority considered when developing or updating the BRA?

Of the 28 entities who reported to have a BRA in 2025, 26 (93%) responded "Yes" and 2 (7%) "No". In comparison, in 2023, 105 (99%) responded "Yes" and 1 (1%) "No".



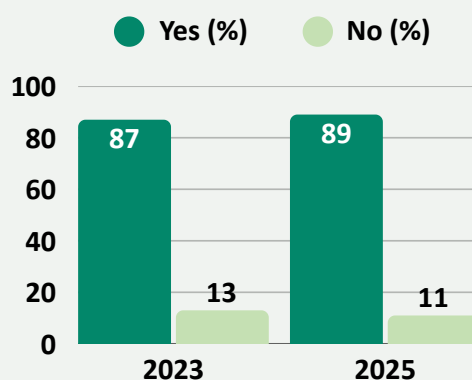
### Question 53 - Are court judgments relating to ML/FT considered when developing or updating the BRA?

Responses to this question remain consistent. Of the 28 entities who confirmed to have a BRA in 2025, 19 (68%) responded "Yes" and 9 (32%) "No". Similarly, in 2023, 73 (69%) responded "Yes" and 33 (31%) "No".



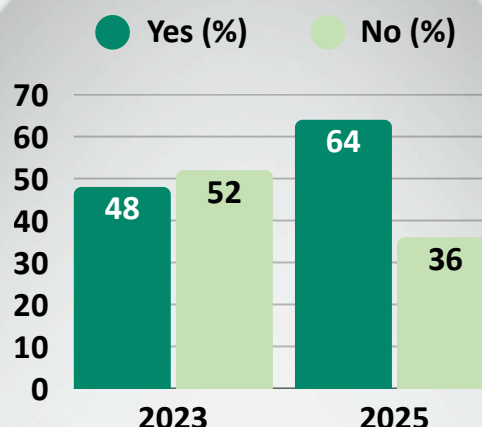
### Question 54 - Is relevant data and reporting provided from various business areas considered when developing or updating the BRA?

Responses to this question remained consistent. Of the 28 entities that responded to this question in 2025, 25 (89%) responded "Yes" and 3 (11%) "No". Similarly, in 2023, 92 (87%) responded "Yes" and 13 (13%) "No".



### Question 55 - Are other information sources considered when developing or updating the BRA?

Of the 28 entities who confirmed to have a BRA in 2025, 18 (64%) responded “Yes” and 10 (36%) “No”. In comparison, in 2023, 51 (48%) responded “Yes” and 55 (52%) “No”. This represents a 16% increase.



### Question 56 - Please confirm what other information sources are considered



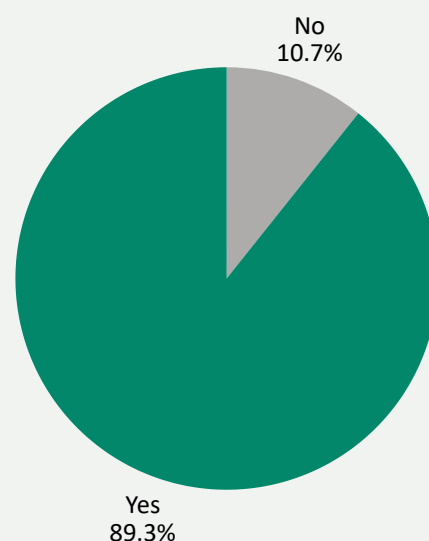
Other information sources considered by relevant persons were reported as:

- Publications by relevant industry bodies
- Group risk documents
- NRAs from other jurisdictions
- External consultants
- FIU publications
- Management information

### Question 57 - Are all of the factors detailed within paragraph 5(3) of the AML/CFT Code considered within the BRA:-

Of the 28 entities who confirmed to have a BRA in 2025, 25 considered all the factors detailed within paragraph 5(3) of the Code, whereas 3 firms did not.

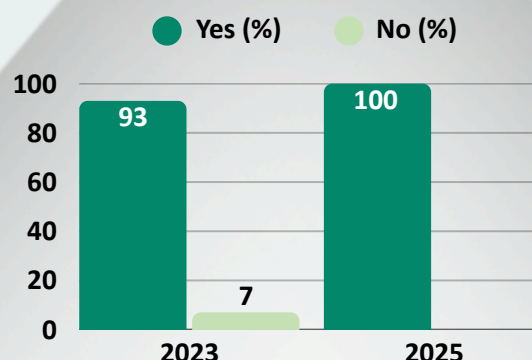
All relevant persons must ensure that the BRA has regard to the risk factors prescribed in paragraph 5(3) of the Code. Each factor should be fully considered, assessed, and the analysis clearly documented and articulated within the BRA, including details of any mitigating measures relevant to each factor.



### Question 58 - Is the customer base reflected and documented in the BRA and risk appetite document(s)?

Of the 28 entities who confirmed to have a BRA in 2025, all (100%) responded “Yes”. In comparison in 2023, 99 (93%) responded “Yes” and 7 (7%) “No”. This represents increased consideration of the customer base by relevant persons.

Paragraph 5(3)(f) of the Code requires the BRA to have regard to the CRAs undertaken in accordance with paragraph 6 of the Code. Key to this is the inclusion of the outcomes of those CRAs, for example noting the proportion of customers in each risk category.

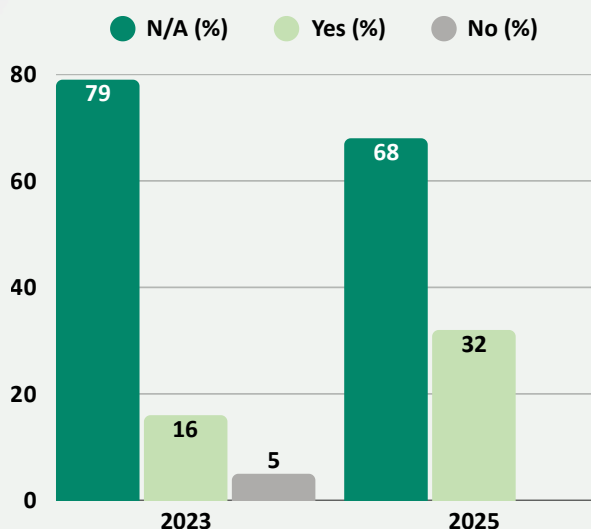


### Question 59 - If the relevant person is part of a group and the BRA was a group led initiative, does the BRA consider the specific risks relevant to the Isle of Man regulated/ registered entity?

Of the 28 entities who confirmed to have a BRA in 2025, 19 (68%) answered “Not applicable” and 9 (32%) responded “Yes”. In comparison, in 2023, 84 firms (79%) answered “Not applicable”.

In 2025, of the 9 entities that reported being part of a group, all confirmed that relevant Isle of Man specific risks were considered by the group in the development of the BRA. In contrast, in 2023, of the 22 entities that reported being part of a group, 17 (77%) responded in the affirmative and 5 (23%) responded “No”.

Whether or not a group document, relevant persons’ BRA must comply with the Isle of Man legislation (the Code). It should assess the risks specific to the relevant person in its context as an entity supervised on the Island, and have regard to all relevant factors prescribed by the Code.



Legislation and Guidance	Web Links
The Anti-Money Laundering and Countering the Financing of Terrorism Code 2019	<a href="#">Link</a>
The Anti-Money Laundering & Countering the Financing of Terrorism Handbook December 2025	<a href="#">Link</a>
Supplemental Information Document July 2021	<a href="#">Link</a>
The Isle of Man Financial Services Authority AML/CFT Requirements and Guidance webpage	<a href="#">Link</a>
The Isle of Man Financial Services Authority Webinars webpage	<a href="#">Link</a>

Other AML/CFT/CPF Thematic Reports	Web Links
Moneylenders CDD/ECDD Thematic - Phase 2 - August 2025	<a href="#">Link</a>
Estate Agents Thematic - Phase 2 - July 2025	<a href="#">Link</a>
Sanctions Thematic - Phase 2 - May 2025	<a href="#">Link</a>
Sanctions Thematic - Phase 1 - December 2024	<a href="#">Link</a>
Moneylenders CDD/ECDD Thematic - Phase 1 - September 2024	<a href="#">Link</a>
Proliferation Financing - Phase 1 - August 2024	<a href="#">Link</a>
Estate Agents Thematic - Phase 1 - August 2024	<a href="#">Link</a>
Accounting Profession CRA Thematic - July 2024	<a href="#">Link</a>
TCSP BRA Thematic - Phase 2 - January 2024	<a href="#">Link</a>
TCSP BRA Thematic - Phase 1 - July 2023	<a href="#">Link</a>
Foreign PEP Thematic - Phase 1 and 2 - May 2023	<a href="#">Link</a>



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