



Economy

# **MONEYVAL, the next six months**

## **The view from the Isle of Man**

### **Experience from assessments**

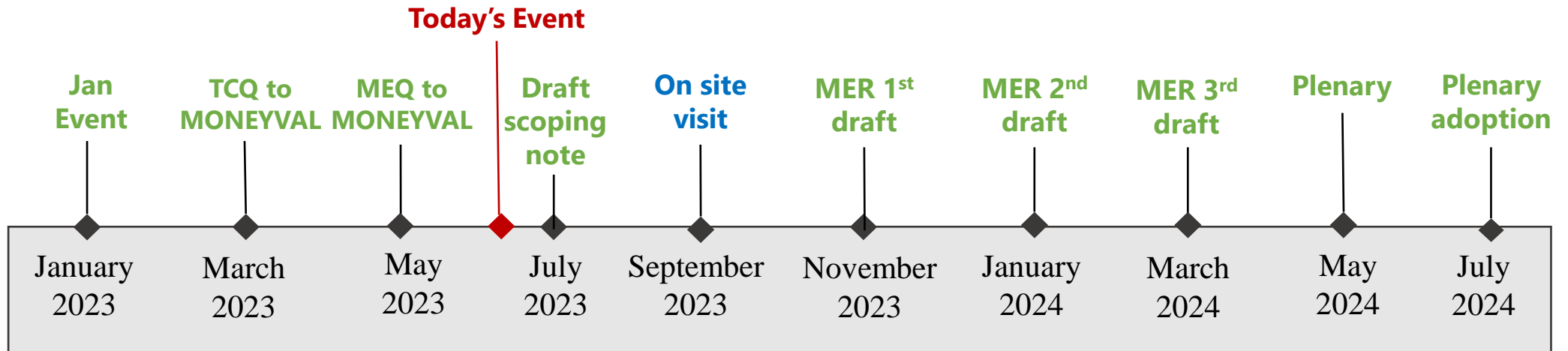
15 June 2023

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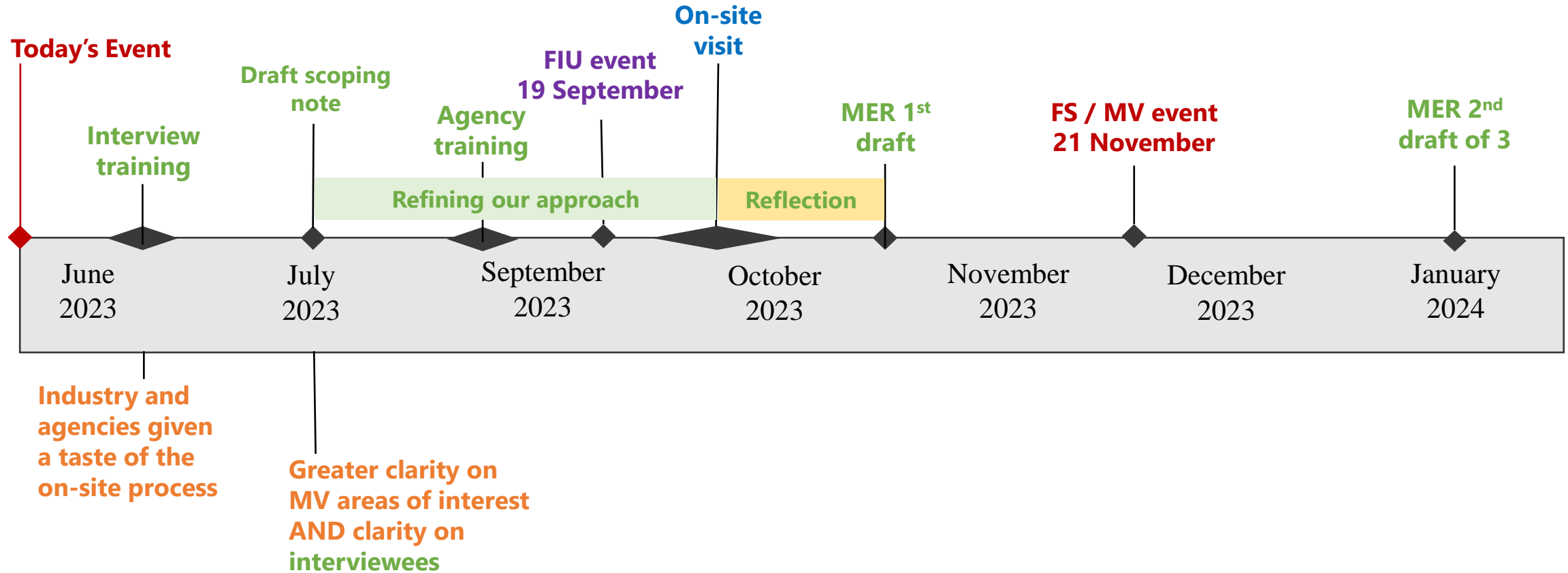
# Agenda

- 9.00** Welcome and update on MONEYVAL preparations  
(Richard Pedley, Financial Crime Strategy)
- 9.30** Upcoming events preview (FinTech, FIU briefing, FS event)
- 9.45** Break for coffee
- 10.05** The view from the Isle of Man (Kate Simms,  
Head of AML/CFT Policy, Isle of Man Government)
- 10.25** The assessors' experience, featuring:
  - George Pearmain, Government
  - Hamish Armstrong, JFSC
  - Steve Meiklejohn, Law Officers' Department
  - Kate Simms, Isle of Man
- 10.55** Closing comments

# MONEYVAL Timeline 2023 to 2024



# Detailed Timeline June 2023 to January 2024

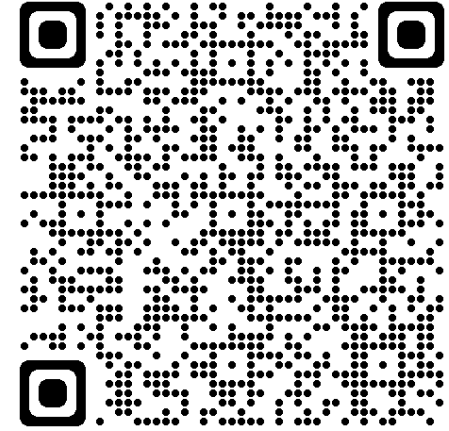




# Whether before the assessors or not...

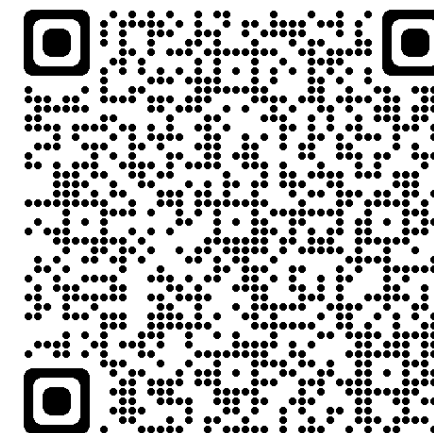
Advised to have a good knowledge of:

- National Strategy
- National Risk Appetite
- National Risk Assessments (where relevant)
  - Legal Persons and Arrangements - June
  - Money Laundering (update) - July
- Outreach to industry for next two NRAs, webinars to be recorded
- Live events will be less frequent but plan to keep them going



# More assessments in the pipeline

- Rolling out this summer:
  - TF NRA 2023 (update published)
    - Should be read alongside the 2021 TF NRA
    - Shows progress in past two years
  - Legal Persons and Legal Arrangements NRA 2023
    - Involved a lot of data coming from industry
    - Confirmed much of what was suspected, but is now evidence based
    - Due to be published June 2023
- ML NRA 2023 (update):
  - Should be read alongside the 2020 ML NRA
  - Divided into two sections:
    - Updating national risk
    - Further detail on specific sectors
  - Due to be published July 2023





# A year of events

- We have now run a year of these larger events since July 2022
- We hope they will form part of the outreach in coming years; the MONEYVAL assessment 2023-2024 is just one part of an ongoing process
- Feedback welcome – the more we have the more we can do
- Now pivoting to focus more on the on-site visit for the next three months
- Will continue to speak with industry bodies
- Further live events being organised with other agencies (see below)
- After the assessors leave we cannot discuss the MER until it is finalised



# Points worth revisiting

- 206 countries are signed up to FATF; they are the recognised global authority on AML/CFT/CPF
- MONEYVAL is the permanent monitoring body of the Council of Europe
- If we were not assessed by them it would be someone else
- We should not underplay any risks that exist in our business
- Risk changes over time – BRAs cannot be static documents
- Due to the NRAs (and to an extent the TCQ and MEQ) we have a better knowledge of the local industry than ever before
- We cannot ignore the FATF standards if we wish to do business





# Work done already - TCQ and MEQ

- The Technical Compliance Questionnaire (TCQ) relates to the 40 FATF Recommendations
- Each Recommendation needs to address the relevant legislation / other requirements in place to combat money laundering
- The TCQ was a substantial piece of work almost of almost 500 pages
  
- The Mutual Evaluation Questionnaire (MEQ) deals with the 11 Immediate Outcomes
- The MEQ was almost 700 pages long.
- Both referred to around 90 pieces of legislation enacted locally.
- The TCQ and MEQ combined are supported by 329 reference documents
- They had input from up to 20 Island agencies and bodies
- Both documents submitted prior to deadline.



# The lists – Grey and Black

## Black List (aka call to action)

Democratic People's Republic of Korea  
Iran  
Myanmar



## Grey List (aka increased monitoring)

Albania  
Barbados  
Burkina Faso  
Cambodia  
Cayman Islands  
Democratic Republic of Congo  
Gibraltar  
Haiti  
Jamaica  
Jordan  
Mali  
Morocco  
Mozambique  
Nicaragua

**Nigeria**  
Pakistan  
Panama  
Philippines  
Senegal  
**South Africa**  
South Sudan  
Syria  
Tanzania  
Turkey  
Uganda  
UAE  
Yemen



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# Updates

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# MLO consultation

Proposed changes to MLO, including:

- That a DNFBP operating in a parent/subsidiary or branch type group should also be subject to the same group obligations as a financial institution.
- Ability to 'de-PEP'. Would allow a relevant person to treat a domestic PEP as not being a politically exposed person two years after the person ceases to be entrusted with a prominent public function if, following a risk assessment, the person does not present a higher risk of money laundering and there is no reason to continue to treat the person as a PEP. Similar provisions to apply in relation to a foreign PEP and a prominent person after a period of 5 years.

# NRA progress: Legal Persons and Arrangements



Preview of the data gathered during the recent exercise including:

- Number of trusts
- Trust assets
- Co-trustees
- Distribution
- Companies
- Likely direction of travel
- Due for publication this month – webinar launch



# NRA progress: Money Laundering update

## It's an update, not a redo of the 2018 to 2019 Risk Assessment

- The refresh of the 2020 ML NRA consists of two sections:
- *Part A – National Risk*
- Updating sections where considerable progress has been made since September 2020, including:
  - (i) Economic & Geopolitical Position
  - (ii) Legal, Supervisory and Law Enforcement
  - (iii) Updating work completed on the Residual Risks and Recommended Actions
  - (iv) Refreshing National Threat, with the support of RUSI (Royal United Services Institute) and the competent authorities
  - (vi) Updating the 22 National ML Vulnerabilities with reference to the recently submitted TCQ and the MEQ.

# Money Laundering National Risk Assessment



**It's an update, not a redo of the 2018 to 2019 Risk Assessment**

## *Part B – Sectoral Risk*

The second part aims to update and provide greater detail of four higher risk sectors. Most industry workshops have taken place.

1. TCSP Sector
2. Securities Sector – Funds
3. Banking Sector
4. Legal Sector

Given the volume of work completed since September 2020, the update has to cover a lot of ground to give a comprehensive picture of the current risk assessment.



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# Thank you!

**Financial Services / Financial Crime  
event 21 November 2023**