

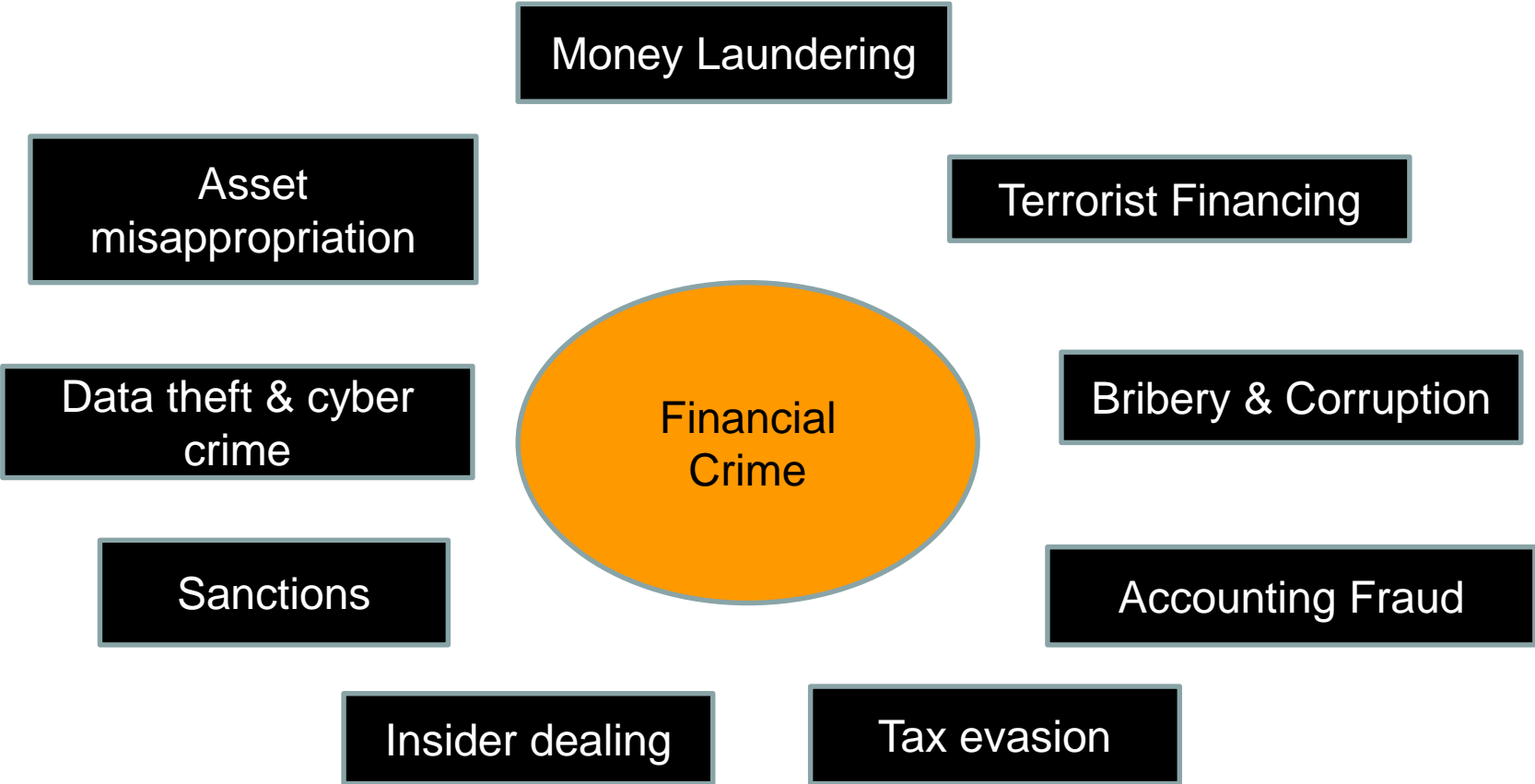


International AML & Counter Terrorism Financing

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Services

MLRO responsibility



International landscape

OECD

FATF

TI

Int'l std on
ABC

CRS

FATF 40

Exporting
Corruption
report

ISO
37001

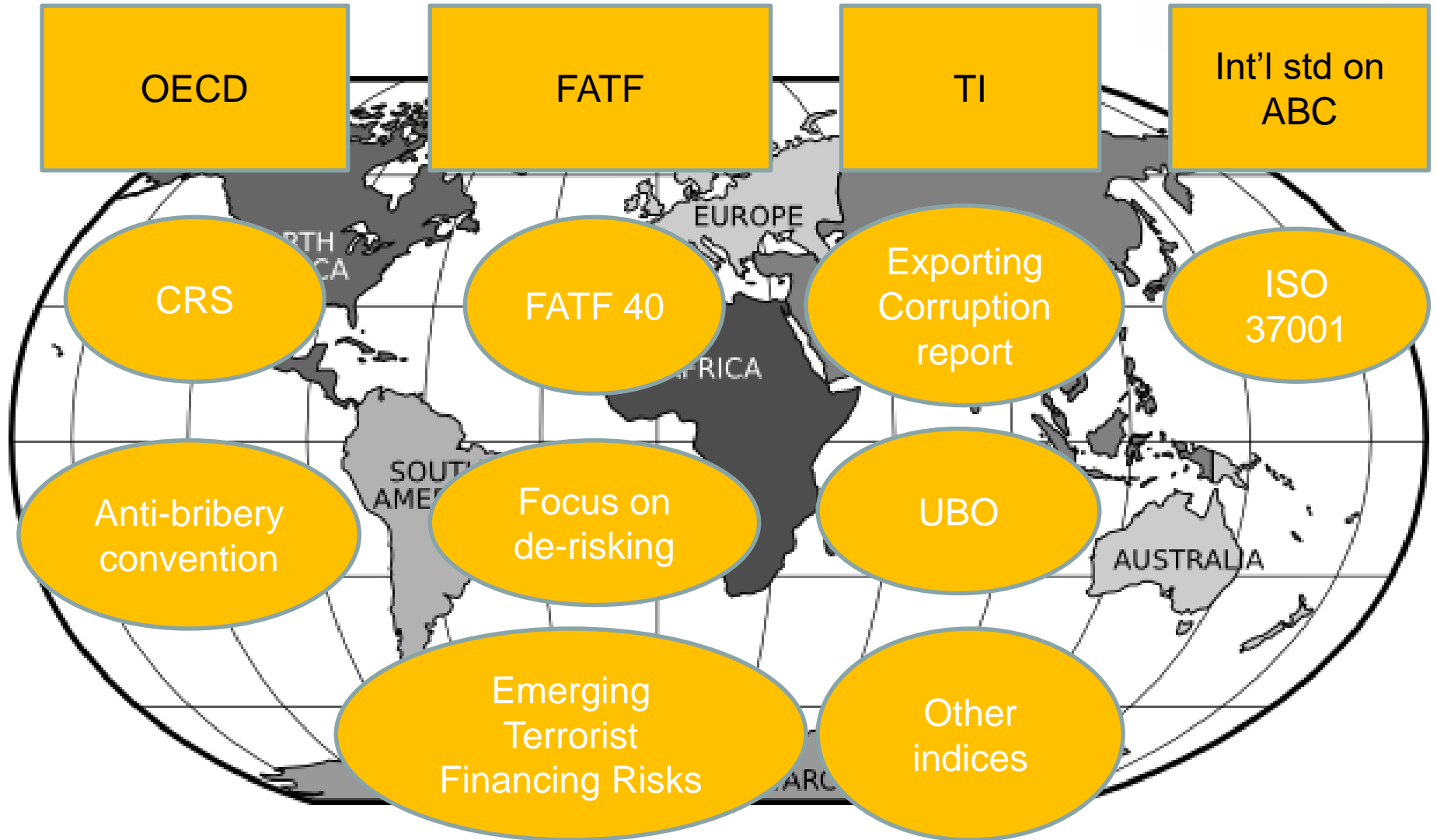
Anti-bribery
convention

Focus on
de-risking

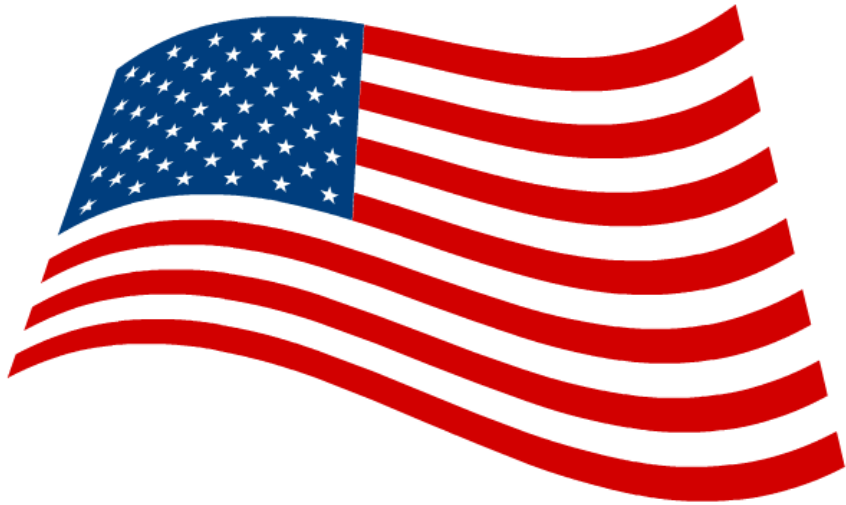
UBO

Emerging
Terrorist
Financing Risks

Other
indices



Impact of the US



- IRS
 - 60% of time on tax crime, 40% on ML/TF
 - 5 biggest threats
 - Fraud
 - Drug trafficking
 - Human smuggling
 - Organised crime
 - Corruption
- Yates memo
 - Individual accountability for corporate wrongdoing

Impact of the EU

- 4MLD
 - Driving debate on central register of beneficial ownership
- MONEYVAL
 - IOM membership
 - Impending assessment



UK developments

- National Risk Assessment recently published
- New anti-corruption unit in the National Crime Agency
- 66 actions in the UK's anti-corruption plan
- UK to co-chair anti-corruption working group with China in 2016
 - Expect further work on beneficial ownership and transparency

UK developments



- UK PM has said that UK will consult on whether foreign companies will be required to publish UBO information if they want to tender for work in the UK or own high value property in the UK
 - Publication of list of companies which own private property in the UK is pending
- First set of Deferred Prosecution Agreements under the UKBA on the horizon
- SFO seeing more whistle blowing but no plans to reward whistle blowers

Isle of Man position

- MONEYVAL membership
- National Risk Assessment
- AML/CFT Code 2015
 - Regulatory guidance
- IOMFSA

Key considerations

- Understanding of how product features can be subject abuse
- Understanding of target markets and target customers to develop profile against which you can benchmark activity
- Documentation of thought processes to demonstrate compliance
- PEP identification on an ongoing basis

Key considerations

- Reliance on third parties
 - Can you meet the IOM requirements?
- Money arriving in advance of CDD
- Personal Portfolio Bonds
 - Increased risk of insider dealing under the guise of the life company owning the policy
- Assumption that long term means no risk
 - Even criminals have to save for retirement
 - Respectability of long term solutions

Key considerations

- How far does sanctions consideration go?
- Achievement of business targets compromising quality of CDD
- Not asking questions for fear of tipping off
- Managing regulatory arbitrage
- Transparency can mean applicant has too much information

Concluding remarks