



Isle of Man Financial Intelligence Unit
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Strategic Delivery Plan 2018/2019



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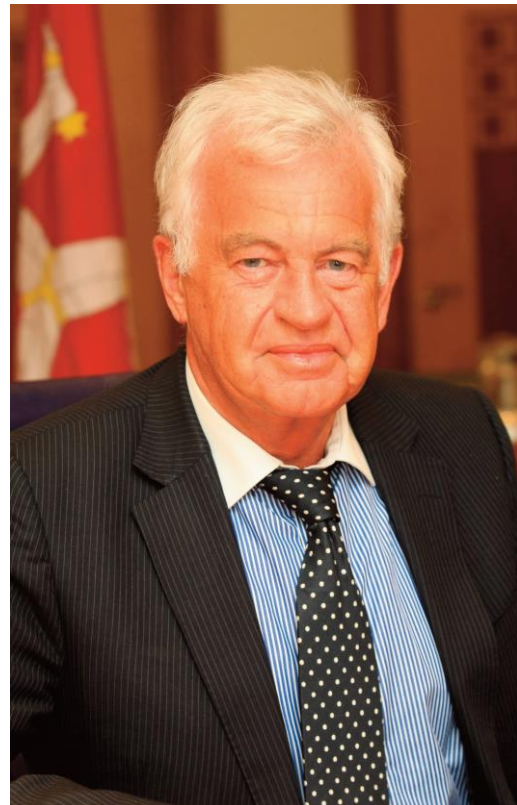
Foreword

I am pleased to present the Strategic Delivery Plan 2018/19 for the Financial Intelligence Unit ("FIU").

The priorities identified in this Strategic Delivery Plan build upon the objectives identified by the FIU Board and the priorities set for 2017/18 and aim to ensure that the FIU provides the central focus and lead for all AML/CFT intelligence within the Island.

By way of a summary of the improvements made by the FIU over its first two years of operation, the FIU now has an almost full complement of staff (with just one post left to recruit) which includes new supervisors and financial intelligence officers. The staff of the FIU comprises persons with wide ranging knowledge and skills, including experience gained in the Isle of Man Constabulary, the Treasury (both the Customs and Excise Division and the Income Tax Division), the Gambling Supervision Commission, the finance sector (the banking and corporate service provider sectors), the legal profession and the military. Analytical software has been purchased and installed within the FIU to support its analysis of information and improvements have been made to the FIU's online reporting system to support the pro-active generation of intelligence.

In addition, extensive outreach training to industry has been undertaken by the FIU and continues to be delivered, to improve the SAR regime and enhance the quality of reporting. The FIU has also published SAR guidance and several typologies and more are planned for 2018/19. Training has been delivered to FIU staff from



internal and external providers and is ongoing. Additional financial resources have also been allocated to the FIU to enable it to continue its investment in training, technology and attendance at international events.

The FIU has published its first Annual Report (for 2016/17, its first year of operation) and this has been widely circulated to enable the FIU's stakeholders and the public to better appreciate the nature and value of the work the FIU does.

The FIU and the FIU Board are committed to the FIU continuing to make the improvements required in order that the FIU may play its role in pro-actively combatting global financial crime, terrorist financing and proliferation and protecting the Island's future.

John L M Quinn
H.M. Attorney General
Chair of the FIU Board

Introduction – the Establishment of the FIU

This Strategic Delivery Plan comes at the end of the second year of operation of the FIU, with 2017/18 seeing further significant progress for the FIU as highlighted above.

The primary aim of the FIU Board, in setting objectives for the FIU, is to ensure the FIU is in line with common international standards and practice and to address areas of risk identified in the Isle of Man National Risk Assessment 2015 so as to improve the performance and effectiveness of the FIU thereby ensuring that the necessary focus on identifying serious financial crime is prioritised. In addition, the FIU and the FIU Board aim to ensure that criminals do not profit from crime, either within the Island or internationally by detecting financial crime, countering money laundering and detecting the financing of terrorism and proliferation. Where criminals have made material gain, the FIU will support all legitimate actions to restrain and ultimately confiscate those criminal assets.

Who we are

The FIU was established as a statutory body in 2016. It is a full member of the Egmont Group of FIUs and adheres to the Egmont Group Statement of Purpose and its Principles of Information Exchange between FIUs. The FIU's Director is one of the members of the Egmont Committee and is one of the two Regional Representatives for the Europe II Region of the Egmont Group.

The strategic priorities of the FIU are determined by the FIU Board which is made up of H.M. Attorney General (Chair), the Chief Constable and the Collector of Customs & Excise. The functions of the FIU are exercised by its Director, subject to any directions given by the Board.

What we do

The FIU plays a key role in the global fight against terrorism and financial crime with the FIU's functions being –

- Receiving, gathering, analysing, storing and sharing information about financial crime (whether in the Island or elsewhere);
- Assisting with the prevention and detection of crime, and in particular, financial crime (whether in the Island or elsewhere);
- Cooperating with law enforcement agencies;
- Contributing to the reduction of crime, and in particular, financial crime and to the mitigation of its consequences.

Strategic Objectives

The FIU's strategic objectives, as identified by the FIU Board, are:

- Identifying and addressing cases of high level financial crime and corruption thereby ensuring that the Isle of Man continues to develop as a safe, well regulated and dynamic business centre, thereby protecting its international reputation by complying with recognised international standards.
- Re-assessing the Island's cross-border ML & TF threats in light of information gathered by partner agencies on the flows of funds into and out of the Island's financial sector.
- Providing a high quality of international co-operation in support of the Isle of Man's long-standing commitment to complying with international standards on tax co-operation, transparency and combatting money laundering and the financing of terrorism.
- Providing intelligence to enable partner agencies to detect AML/CFT activity, investigate financial crimes (including tax evasion), disrupt criminal activity, secure prosecutions and confiscate proceeds of crime.
- Providing high quality and timely analysis and advice to government on emerging financial crime threats and typologies.
- Addressing the identified need for additional specialist financial intelligence investigators.
- Implementing a wide ranging training programme that ensures the FIU's compliance with international standards.
- Using technology to enhance both the performance and effectiveness of the FIU by improving the quality of the material it receives and produces.
- Engaging with industry in a meaningful partnership, particularly in regards to improving the quality of SARs/online reporting, ML and TF typologies and emerging threats.
- Producing and issuing an annual report for the FIU as required by the Financial Intelligence Unit Act 2016.
- To operate within the clear lines of communication and arrangements set out in the Memoranda of Understanding agreed with partner agencies

Priorities for 2018/2019

In order to meet its strategic objectives and to build upon the achievements it has made over the last couple of years the FIU has identified its key priorities for 2018/19 as:

- Continuing to develop and implement a training and development programme for FIU staff;
- Continuing to provide education, guidance and training for industry on suspicious activity reports (SARs) and to publish typologies from the analysis of SARs;
- Continuing to improve the level of analysis of SARs and to undertake regular strategic analysis of threats based upon intelligence received;
- Continuing to build strategic and productive relationships with the financial and non-financial sectors and law enforcement agencies both on and off the Island.
- Continuing to review and further develop the FIU Operational Analysis Handbook.
- Continuing to review and develop Financing of Terrorism specific procedures for providing 'real time' guidance to Financial Institutions and DNFBP's where FT suspicion arises (e.g. consent requests).

Measuring success

We will measure the success of our progress under the Strategic Delivery Plan 2018/19 by assessing a range of performance indicators. These include the quality, relevance and usefulness of our products, our interactions with law enforcement agencies and other FIUs and feedback from our stakeholders on the value of our training and analytical products.

Key aims for 2018/19

In focussing on its key priorities the FIU will, amongst other things –

- Ensure that its staff continue to receive training from recognised experts, including in relation to anti-money laundering, terrorist financing and proliferation financing;
- Increase the ability of its staff to carry out meaningful analysis of the information received by the FIU;
- Continue with its programme for increased liaison with industry, including speaking at forums/conferences and meeting with the regulators, industry bodies and industry members, producing relevant statistics and analyses for those bodies;
- Increase the dissemination of actionable intelligence to law enforcement agencies (including ICART) and regulatory bodies;
- Continue to represent the Island at international money laundering and terrorist financing forums such as the Egmont Group of Financial Intelligence Units, increasing its participation in and contribution to the stated aims of the forums.

Financial Resources for 2018/2019

The FIU's budget reflects the fact that, as a stand-alone entity, the resources of the FIU (both in terms of staff and technology) must be increased to not only improve the effectiveness of the FIU but also to act as a deterrent against financial crime and thereby enhance the Island's international reputation. The salaries and other expenditure of the FIU are funded from sources which include the general revenue and approved re-claims from the Seized Assets Fund.

As the 2017/18 and 2018/19 FIU budget requirements were considered at a time when the FIU was not fully operational, it has been necessary for the FIU to make further bids to Treasury in order for the FIU to meet its key priorities identified above. With the continued support of Treasury, and the other agencies with which it deals on a regular basis, the FIU fully expects to meet its priorities during the forthcoming year.

Contact Details

If you wish to obtain further information on the FIU, its contact details are set out below:

Telephone + 44 (0) 1624 686000

Email fiu@gov.im

The above contact details may also be used if you are outside the regulated sector and you have a suspicion or knowledge of money laundering or if you have concerns about a suspected financial crime that you wish to report to the FIU.

The FIU's website is currently being improved so that it may be used by the FIU to publish relevant information. In the meantime the existing website may be found at www.fiu.im.