



Isle of Man
Financial Intelligence Unit
Ellan Vannin Unnid Tushtag Argidoil

Typologies

May 2018

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Introduction

"A typology is the study or systematic classification of types that have several characteristics or traits in common" – Egmont Strategic Analysis Training 2017.

The project undertaken by the Isle of Man Financial Intelligence Unit (FIU) to provide typologies to industry is part of the commitment made to fulfil international obligations under Financial Action Task Force (FATF) Recommendation 29 to identify money laundering and terrorist financing related threats and vulnerabilities and as part of its general powers to provide or assist with the provision of awareness training in relation to financial crime.

The following typologies are based on information received and analysed by the FIU and follow on from previously issued typologies to assist in highlighting what the FIU is seeing in terms of the information it is receiving relating to suspicions of financial crime.

To some, these typologies won't be new, however it is envisaged that they will provide a more focused Isle of Man link to assist those operating within our jurisdiction and will ultimately add value to the information submitted to the FIU.

Section 24 - Financial Intelligence Unit Act 2016

The introduction of the FIU Act 2016 included –

Section 24 – Disclosure of information to FIU.

- 1) Any person may disclose information to the FIU if the disclosure is made for the purposes of the exercise by the FIU of any of its functions.

This has given industry and members of the public a lawful gateway to inform the FIU of matters which may not specifically be covered under the Proceeds of Crime Act 2008 or the Anti-Terrorism and Crime Act 2003.

Due to the diversity of matters which could be reported to the FIU under the above legislation, there are no warning indicators. Consideration should first be given to reporting the matter under POCA and ATCA if the suspicions fit.

Typology 9

A non-Island resident contacts an Isle of Man based bank with a view to opening an account. The individual is a director of companies in other off-shore jurisdictions but not the Isle of Man.

Due-diligence is conducted, and research locates information held on UK Financial Conduct Authority systems stating that the individual is no longer registered (due to criminal circumstances) and therefore advises against conducting business with them.

There is no suggestion of money laundering, or terrorist financing – but the attempts to open the accounts may be of interest to another FIU or relevant authorities. It therefore assists the FIU with the prevention and detection of crime, and in particular financial crime (whether in the Island or elsewhere).

Likely Action –

The FIU may choose to disseminate this information to the National Crime Agency (NCA) in the UK for forwarding to the relevant UK authority, or the home country of the individual.

Typology 10

An investment policy is opened by a foreign national (Mr. A) whereby he made regular contributions from his salary each year. The contributions are in line with Mr. A's salary and his wealth has been adequately proven in line with customer due diligence. Mr. A has been a customer for a number of years.

Automated screening has presented Mr. A as being under investigation by his home country on suspicion of corruption / bribery charges in relation to the awarding of a large government contract. The case is currently on going, and allegedly occurred after the funds were invested. There is no suspicion in relation to the original wealth used to invest and as such, no suspicion of money laundering or terrorist financing.

The financial services company believes this information might be useful should further allegations be made, and as such disclose it to the FIU under Section 24 of the FIU Act.

Likely Action

The FIU may choose to disseminate the existence of the above asset to the home country, or contact them to highlight the individual is known to Isle of Man authorities. Depending on other factors this matter may be filed for future use.

Typology 11

A foreign national (Mr. B) opens an account on an e-gaming system, regulated within the Isle of Man. Through automated CDD checks it is noted that Mr. B features on an Interpol 'Wanted' list for a number of violent offences before fleeing his home country.

The IP and address data collected by the e-gaming company provides address and geo-location data which may be useful to off-island law enforcement agencies in locating and prosecuting Mr. B.

Although there is no suspicion of financial crime, as it would assist the FIU in its function of assisting with the prevention and detection of crime it fits to report the matter under Section 24 of the FIU Act.

Likely Action –

If proportionate, the FIU will disseminate the location data to the FIU in the country where the individual is under investigation, and also to the UK 'Interpol desk' at the NCA.

Disclaimer

Whilst every effort has been made to ensure the accuracy of the information within this document, it is provided on the basis that neither the FIU nor its staff, either individually or collectively, accept any responsibility for any direct or indirect loss, damage, cost or expense of any kind arising from or in connection with the use by any person of any information contained within this document. Any use of the information contained within this document signifies agreement by the user to these conditions.