

Anti-Bribery and Corruption Strategy



Anti-bribery and Corruption Strategy

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Anti-Bribery and Corruption Strategy Foreword

The Isle of Man's Anti-Bribery and Corruption Strategy reflects the commitment of the Chief Minister and Council of Ministers to tackle the threats posed to the Isle of Man by bribery and corruption.

For many, bribery and corruption conjures images of brown paper envelopes, possibly being exchanged somewhere far away. However, the threat is one that affects us all, and we must all be part of the Island's response. Bribery and corruption are damaging both for the Isle of Man and globally. They can literally cost lives and are more likely to impact vulnerable communities the hardest.



The Isle of Man is a democratic, progressive and outward facing nation, and we cannot be complicit in facilitating or supporting in any way activities that stifle democracy or undermine fair competition. As an international finance and business centre, the Isle of Man has both a moral and a legal duty to ensure that those who seek to use us to facilitate criminal and unethical behaviour are prevented from doing so. Likewise, while we pride ourselves on our long history of stable governance, the threat of corruption within the Island is one that we cannot ignore. Our community expects and deserves a Government it can trust and be proud of and it is therefore crucial that our public service operates to the highest levels of openness and accountability.

This is a Strategy for the whole of the Island, encompassing the private and public sectors, organisations and individuals. It presents a holistic approach to the threats posed by both domestic and international bribery and corruption. While much good work is undoubtedly already taking place throughout the Isle of Man, the Strategy provides a framework to further support agencies and industries in working together more effectively to address these threats, while setting out in no uncertain terms the responsibilities on each of us to play our part.

I am proud to deliver this Strategy to you today.

Chief Minister
Hon Alfred Cannan MHK

Executive Summary

The Anti-Bribery and Corruption Strategy sets out a framework for the Isle of Man's response to the threats posed by bribery and corruption.

Statement and Vision

Bribery and corruption have a damaging effect on global stability, democracy and the rule of law. This is the case both for vulnerable communities around the globe, and for the Isle of Man.

While a number of agencies are already working to address this threat, the Anti-Bribery and Corruption Strategy will coordinate their responses throughout the Isle of Man to deliver a coherent national response to bribery and corruption.

Our Mission Statement

The Isle of Man protects people from bribery and corruption in all its forms, whether perpetrated here or further afield.

Our Vision

The Vision for the Isle of Man as a jurisdiction that protects people from bribery and corruption, and where every member of our community understands their role in recognising and preventing the threats and harms arising from these offences. The Vision is expressed through three statements.

In the Isle of Man:

- ◊ We all recognise and identify bribery and corruption when we see it;
- ◊ We have clear, confidential and accessible reporting channels for suspicions of bribery and corruption;
- ◊ We utilise a robust response to bribery and corruption that is coordinated and underpinned by best practice.

Defining the Issue

Bribery and corruption can arise in many different situations affecting individuals, organisations, governments and ultimately communities.

The generally accepted definition of **bribery** is:

"A financial or other advantage given or promised in order to influence the judgement or conduct of a person in a position of trust or reward the improper performance of a function or activity; something that serves to induce or influence".

Bribery does not always involve a financial reward, but can instead centre on behaviour designed to influence or exert pressure on a person in charge of a public or legal duty to perform that duty improperly. It can happen across all levels of society.

Corruption is defined as:

"The abuse of entrusted power by a person or organisation for private gain, financial or otherwise".

Corruption includes bribery as well as other offences such as tax evasion, fraud, embezzlement and extortion or intimidation and can facilitate crimes such as money laundering, the financing of terrorism, environmental crimes and drugs or people trafficking.

Addressing Bribery and Corruption

Every member of the Island’s community has a part to play in protecting people from bribery and corruption. The Anti-Bribery and Corruption Strategy sets out a framework to guide individuals and organisations in recognising and responding to bribery and corruption.

Strategic Objectives and Actions

Each of the three statements set out in the Vision will be delivered through a set of coordinated Strategic Objectives which are further broken down into measurable Actions.

By achieving the statements in the Vision, the Isle of Man will fulfil its Mission Statement to ‘protect people from bribery and corruption whether perpetrated here or further afield’.

The Strategic Objectives are to:

- 1 Address the risks to the Isle of Man, identified in the National Risk Assessment 2020, in respect of Bribery and Corruption
- 2 Reduce vulnerabilities to Bribery and Corruption within the Public Sector
- 3 Demonstrate that the Isle of Man has a coherent approach to combatting both domestic and international Bribery and Corruption
- 4 Improve detection, reporting and enforcement in respect of both domestic and international Bribery and Corruption
- 5 Deliver a long-term and sustainable model for addressing the ongoing risk to the Island from international and domestic bribery and corruption

Beyond the Strategy

The Anti-Bribery and Corruption Strategy is the framework for how the Isle of Man will work to address the threats from bribery and corruption in the next five years. However, events of the past few years have illustrated that circumstances can change at short notice and present new challenges and priorities.

It is therefore critical that the Strategic Objectives and Actions continue to be reviewed, evaluated and, where necessary, updated. Key indicators will provide a measure of how well each of the Strategic Objectives is achieving its aims and will be monitored on an annual basis.

Section One – Statement and Vision

“Protecting People from Bribery and Corruption”

Current Position

With Tynwald operating as a continuous parliament for over 1000 years, the Isle of Man benefits from stable government and an established democracy. This is supported by a comprehensive system of legislation and regulation, much of which is drawn from that of the United Kingdom, and the international treaties and conventions extending to the Isle of Man. This stability, combined with our sound regulatory framework and our innovative and outward-facing approach to new technology, has made the Island an attractive jurisdiction in which to do business.

With over 25,500¹ registered companies on the Companies Register, the Island is host to business sectors ranging from financial services, e-gaming, engineering, manufacturing and hospitality. The latest Mutual Evaluation undertaken by MONEYVAL also estimates that some 20,000 trusts are administered in the Isle of Man, along with a number of other legal entities such as foundations and Limited Liability Partnerships². This diversity brings great opportunity, but also increases vulnerability to financial crime, including bribery and corruption. It is essential that the Island also remains mindful of all risks to bribery and corruption, in particular those inherent where Isle of Man businesses have customers or suppliers who are not resident here and with whom they deal on a non-face to face basis.

There are also over 600 charities registered on the Isle of Man Charities Register³. The charitable sector plays a vital role supporting vulnerable people and communities both in the Island and around the world. It is, however, important to recognise the potential risks associated with charitable donations and to take appropriate and proactive steps to manage them.

The 2020 National Risk Assessment⁴ conducted in respect of the Island’s Money Laundering and Terrorist Financing risks, identified bribery and corruption as one of the five main predicate crimes⁵ presenting an international threat, representing 19% of all Economic Crime Unit investigations.



1 - Companies Registry as at 31 December 2021.

2 - <https://www.gov.im/about-the-government/departments/cabinet-office/fatf-and-moneyval/>

3 - https://www.gov.im/media/1371147/publicindex_latest-160222.pdf

4 - <https://www.gov.im/media/1367979/isle-of-man-national-risk-assessment-2020-updated-140120.pdf>

5 - ‘A “predicate offence” is an offence whose proceeds may become the subject of any ... money-laundering offences’ (United Nations Office on Drugs and Crime. The main predicate offences identified in the National Risk Assessment are fraud, theft, corruption and bribery, tax crime and drug trafficking.

The Need to Act

Bribery and corruption have a damaging effect on global stability, democracy and the rule of law. Their impact is felt most acutely by the vulnerable communities in which their associated crimes are often perpetrated. The flow of funds away from countries least able to afford their loss exacerbates inequality and facilitates conflict and the breakdown of law and order, while there is steadily less and less money to maintain infrastructure, provide healthcare or deliver education. Poor countries become poorer while those engaging in criminality use their illicit wealth to buy political influence, stifle opposition and advance state capture.

Though the predicate offences of bribery and corruption may take place in secrecy, their effects are more likely to be seen in increased political and social unrest, large scale migration, in crimes such as wildlife and environmental crimes, and people and drugs trafficking. There is a clear moral imperative for us to act to ensure that the Isle of Man plays no part in facilitating or enhancing the human misery arising from bribery and corruption.

At a global level, both the COVID-19 pandemic and release of the Panama, Paradise and Pandora Papers have turned the spotlight onto issues of wealth inequality and the role of wealthier democracies in perpetuating this cycle. The global shift away from tolerating corruption and towards recognising its threat to democracy and safety is one that the Island needs to keep pace with. There is increasing international pressure on jurisdictions, including our own, to take action to combat not just bribery and corruption in our own backyards, but also to ensure that we do not facilitate the movement, concealment or retention of corruptly obtained wealth.

As an international finance and business centre, the Isle of Man is potentially vulnerable to the threats posed by bribery and corruption, whether they are committed on Island or further afield. Many of our businesses operate internationally, including in higher risk jurisdictions and industries, and the risk associated with the potential laundering of illicitly obtained funds is one to which we must continue to remain vigilant.

With our favourable tax regime, it is also vitally important that the Island ensures that it does not become attractive to those seeking to evade taxes or engage in wrongdoing.

Domestically, while the Island is a stable, well-governed democracy, we cannot afford to become complacent. We expect our public sector bodies to operate to the highest standards of governance and the need to address the threat and perceptions of domestic bribery and corruption within the Island's community is one that we cannot ignore.

These threats, while different in their origination, can be equally devastating to the Island's economy, reputation and community.

For example:

Prosperity: Reputational loss as a consequence of a failure to address bribery and corruption would have a significant impact on the economy and the services that are provided to the community. The experience of other jurisdictions in not meeting international standards is that the potential inclusion on a Financial Action Taskforce grey list, could lead to loss of business and income equivalent to around 20% of GDP.

Public Confidence and Trust: Bribery and corruption within Government institutions and bodies has the potential to damage public confidence and weakens the mandate with which they function. Put simply, if society's trust in institutions of Government and Local Authorities breaks down, this affects the effectiveness of our rule of law.

Economic Sustainability: Businesses locate to the Isle of Man because it is seen as a safe, secure democracy with a mature legal system and high standards of governance. If this cannot be maintained, not only is there a risk that good businesses will locate themselves elsewhere but there is also a potential for criminal or unethical entities to be attracted here to do business.

Goods and Services: The awarding of contracts through bribery and corruption undermines fair business process. Businesses operating legitimately cannot compete in a corrupt market and either go out of business or find new markets in which to operate. There is also less need for businesses who are awarded contracts due to bribery and corruption to make investments in health and safety, quality control or product development. The result is sub-standard or even dangerous goods and services reaching our market at inflated price

During 2021, the Financial Intelligence Unit (FIU) received 2497 disclosures, known as Suspicious Activity Reports (SARs), from the regulated sector 3, of which, 52 (2.1%) were submitted under the suspicion of bribery and corruption. Bribery and corruption reported disclosures are within the top 5 reported suspected criminalities to the FIU. It should be noted that these cases can often refer to much higher values than other reported offences.

Our Mission Statement

The Isle of Man protects people from bribery and corruption in all its forms, whether perpetrated here or further afield.

Our Vision

The Anti-Bribery and Corruption Strategy sets out a Vision for the Isle of Man as a jurisdiction that protects people from bribery and corruption, and where every member of our community understands their role in recognising and preventing the threats and harms arising from these offences. The Island's Vision is expressed through three statements.

In the Isle of Man:

4. *We all recognise and identify bribery and corruption when we see it;*
5. *We have clear, confidential and accessible reporting channels for suspicions of bribery and corruption;*
6. *We utilise a robust response to bribery and corruption that is coordinated and underpinned by best practice.*

The Vision will be realised through the delivery of Strategic Objectives, over three phases [see Chapter 4].

Creating a Coherent Response

Anti-Bribery and Corruption activities do not sit with one agency. The Anti-Bribery and Corruption Strategy coordinates existing agency responses throughout the Isle of Man to deliver a coherent national response to bribery and corruption.

The agencies directly engaged in Anti-Bribery and Corruption activities are:

The Financial Intelligence Unit – the roles of the FIU are:

- ◊ Receipt, analysis and dissemination of Suspicious Activity Reports (SARs).
- ◊ Prevention, reduction and detection of financial crime.

Financial Services Authority (FSA) – the regulatory objectives of the Authority are:

- ◊ securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- ◊ the reduction of financial crime; and
- ◊ the maintenance of confidence in the Island's financial services, insurance and pensions industries through effective regulation, thereby supporting the Island's economy and its development as an international financial centre.

The Gambling Supervision Commission (GSC) – in addition to the licensing and regulation of land-based gambling operations (casino, amusement and slot machines, betting offices and lotteries), the GSC also regulates all online gambling activities, which have grown significantly in recent years.

The Commission's regulatory objectives are established in the Gambling Supervision Act 2020

- ◊ to keep the gambling industry crime free.
- ◊ to protect the young and those at risk.
- ◊ to ensure that the services offered by licence holders are fair and that players receive their true winnings.

The Commission also has secondary objectives which relate to proportionality, efficient use of resources and protecting the Island's reputation and economy.

In December 2020, under the Transfer of Functions (Cannabis) Order 2020, the GSC's remit was expanded to include the licensing and supervision of cannabis cultivation, production, manufacturing, importation and exportation of industrial materials and products for medical use. The regulatory objective, in relation to the Commission's transferred functions, is preventing the misuse of cannabinal, cannabinal derivatives, cannabis or cannabis resin.

Treasury, Audit Advisory Division – The Audit Advisory Division enhance and protect Isle of Man Governments organisational value by delivering independent, risk-based and objective assurance programmes and advice. Systematic and disciplined approaches are used to evaluate the effectiveness of risk management, control, and governance processes to manage Isle of Man Government risk exposures, including fraud, bribery and corruption.

Treasury, Customs and Excise Division – one of the Division's roles is in respect of law enforcement, namely assisting other jurisdictions with the investigation of international money laundering. In the area of financial crime the Division works closely with the Financial Intelligence Unit (FIU) and currently there are intelligence officers and investigation officers working with their police colleagues at the FIU.

The Division is also responsible for the administration of United Nations and EU financial and economic sanctions in the Isle of Man.

In addition, Treasury Income Tax Division has a role in investigating possible cases of tax evasion by IOM taxpayers (although most are dealt with as civil matters) and provides information to assist with the investigation of tax evasion in other jurisdictions through its role in ensuring the IOM complies with all international tax standards.

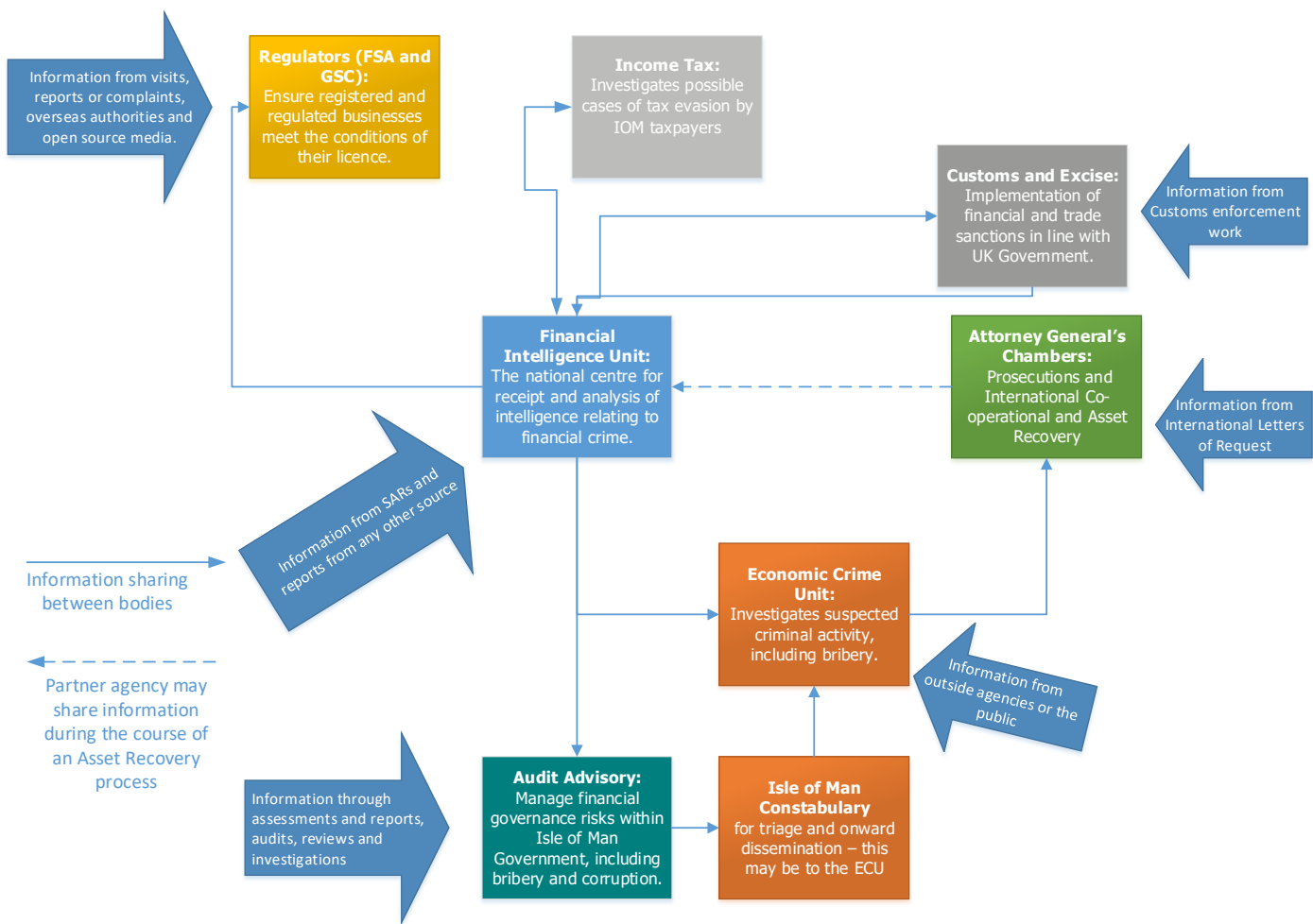
The **IoM Constabulary Economic Crime Unit** is the only agency empowered to investigate bribery and / or corruption. The unit investigates serious and complex fraud cases, as well as investigating money laundering and terrorist financing. It also incorporates a proactive capability utilising financial and other intelligence to target criminal activity.

The **Attorney General's Chambers** prosecutes all crime in the Isle of Man, including economic crimes such as bribery. Within the Attorney General's Chambers is the **International Cooperation and Asset Recovery Team (ICART)**.

ICART does not investigation criminal offences, but runs parallel financial investigations for the purposes of conviction based and non-conviction based confiscation. The Attorney General's Chambers is also the Central Authority for Mutual Legal Assistance (MLA) in the Isle of Man, and ICART deals with international letters of request for assistance in criminal matters.

[see figure 1 for a visual representation of how the agencies work together]

Figure 1



The Anti-Bribery and Corruption Strategy also therefore does not sit in isolation but should instead be read in conjunction with other Isle of Man Strategies, Plans and Reports which all address the threat to the Island from financial crime, including bribery and corruption. These include:

2. [Isle of Man Financial Crime Strategy 2021](#)
3. [Financial Intelligence Strategic Unit Annual Plan 2021 – 2022](#)
4. [Financial Services Authority Annual Report 2019 – 2020](#)
5. [Financial Services Authority Strategic Plan 2021 – 2024](#)
6. [Isle of Man Constabulary Chief Constable's Annual Report 2020 – 2021](#)
7. [Isle of Man Constabulary Strategic Plan 2019 – 2023](#)
8. [The Attorney General's Chambers Business Plan 2020 – 2022](#)

Legislation in respect of preventing bribery and corruption, and taking enforcement action includes the [Bribery Act 2013](#), [FIU ACT 2016](#) and [Proceeds of Crime Act 2008](#). Other, related legislation governs actions and activities that serve to greater strengthen the Island's defences against all financial crime.

The Island has accepted the obligations under the [United Nations Convention Against Corruption](#), and the OECD's Foreign Bribery Convention. We also work closely with UK Government's Joint Anti-Corruption Unit, who deliver the UK's Anti-Corruption Strategy.

It should further be noted that the Island has also adopted the [United Nations Sustainable Development Goals](#) for its International Development Policy. "Peace, Justice and Strong Institutions" are covered by SDG16.

Our Island Plan sets out the Administration's Vision for the Isle of Man. This includes the Objective to "Meet or exceed global standards and enhance our reputation as an internationally responsible and increasingly sustainable jurisdiction".

The Anti-Bribery and Corruption Strategy therefore is part of the Island's overall move towards continuous improvement in governance and its commitment to international responsibility.



Section Two – Defining the Issue

Bribery and corruption can arise in many different situations affecting individuals, organisations, governments and ultimately communities.

The generally accepted definition of bribery is:

“A financial or other advantage given or promised in order to influence the judgement or conduct of a person in a position of trust or reward the improper performance of a function or activity; something that serves to induce or influence”.

Bribery does not always involve a financial reward, but can instead centre on behaviour designed to influence or exert pressure on a person in charge of a public or legal duty to perform that duty improperly. It can happen across all levels of society.

In the case of domestic bribery, i.e. that which is committed in the Isle of Man, the threats posed are derived from failure to prevent bribery, the giving and receiving of bribes locally, as well as Isle of Man organisations committing bribery offences abroad. Legislation governing these activities is found within the Bribery Act 2013.

Threats to the Island arising from international bribery and corruption arise “substantially from those seeking to launder proceeds of these offences through the IoM.”⁶ This may be through using the Island’s financial services, legal or property sectors, or through the purchase of other high value assets.

Corruption is defined as:

“The abuse of entrusted power by a person or organisation for private gain, financial or otherwise”.

Corruption includes bribery and is linked to other offences such as tax evasion, fraud, embezzlement and extortion or intimidation and can facilitate crimes such as money laundering, the financing of terrorism, environmental crimes and drugs or people trafficking⁷.

Certain jurisdictions, individuals, industry sectors and activities present higher risks for both bribery and corruption. Higher risk activities include procurement, recruitment and hospitality. Higher risk sectors include construction, extraction, information technology, healthcare and finance.

Bribery and corruption can also masquerade as other enterprises such as funding given for non-profit organisations⁸ such as charities, sports clubs or community projects, using the cover of these to buy influence and conceal criminality.

Section Three – Addressing Bribery and Corruption

Every member of the Island’s community has a part to play in protecting people from bribery and corruption. The Anti-Bribery and Corruption Strategy sets out a framework to guide individuals and organisations in recognising and responding to bribery and corruption, empower agencies to coordinate their activities and demonstrate where progress has been made and where more work needs to take place.

In respect of the public sector response, the integrity of the Island’s institutions as well as their interaction with each other is crucial. These include the Branches of Tynwald, Executive Government, Statutory Boards and Offices and the Attorney General’s Chambers, Regulatory Agencies, the Constabulary and Local Authorities. The Anti-Bribery and Corruption Strategy sets out how the Island’s various agencies and enforcement bodies will deliver actions designed to prevent and respond to bribery and corruption.

The private sector has a duty to ensure that business is conducted ethically and in keeping with both the spirit and the letter of the law. It is incumbent on those businesses whose operations extend beyond our borders to take appropriate and proportionate steps to ensure the highest standards of ethics and governance in both their supply chains and their customers. The Anti-Bribery and Corruption Strategy commits to providing comprehensive information and guidance to assist businesses to manage risk and meet their obligations under the legislation.

Charities, too, should ensure that they have adequate procedures in place to mitigate potential risks of charitable donations being used for the purposes of bribery or corruption.

The media also plays an important role in the fight against corruption by holding both private and public sector parties to account and providing a platform to call for transparency and accountability. Press freedom, where the media has the right to publish without private or public sector restriction, is an essential tool in the identification and reporting of corruption.

Lastly, there are steps that every individual citizen can take to ensure that the Island is safer. It is important that we remain vigilant, call out malpractice when we see it and report concerns through the right channels. The Anti-Bribery and Corruption Strategy sets out how our agencies will work together to ensure that, when concerns are raised, they are acted on consistently and appropriately in every case.

⁶ – <https://www.gov.im/media/1367979/isle-of-man-national-risk-assessment-2020-updated-140120.pdf>

⁷ – OECD strategic approach to combatting bribery and corruption

⁸ – The Financial Action Taskforce defines a non-profit organisation as “a legal person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “good works”.

What can Businesses, Charities and Staff do to prevent bribery?

The Bribery Act 2013 Guidance that accompanies the 2013 Bribery Act legislation identifies six principles that should inform commercial organisations’ procedures to prevent bribery. These are:

- 1. Proportionate Procedures
- 2. Top-Level Commitment
- 3. Risk Assessment
- 4. Due Diligence
- 5. Communication (including Training)
- 6. Monitoring and Review

‘Commercial organisations’ as defined in the Bribery Act 2013 are those which are incorporated or formed in the Island or which carry out a business or part of a business in the Island. The Guidance states that “...it does not matter if [the organisation] pursues primarily charitable or educational aims or purely public functions.” ‘Commercial organisations’ therefore include businesses, charities, Government and Local Authorities.

Proportionate Procedures:

The Guidance states that, “A commercial organisation’s procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the commercial organisation’s activities. They are also clear, practical, accessible, effectively implemented and enforced”.

Top-Level Commitment:

Organisations are facing increasing scrutiny on their ‘tone from the top’ and ‘tone from within’ in respect of how policies and procedures are applied and embedded. They should be ensuring that top level management are committed to preventing bribery and corruption within the organisation and by all associated entities, and that this commitment is communicated and role modelled throughout all operational areas. The Guidance articulates that top-level management should “foster a culture within the organisation in which bribery is never acceptable”.

Risk Assessment:

Understanding where risk lies is crucial. Risk assessments can help organisations to identify where their particular vulnerability or exposure to potential bribery and corruption, whether international or domestic or both, may lie. This helps them to formulate an appropriate, risk-based approach and concentrate resource where it will be of most benefit.

It is recommended that organisations ensure that they regularly update risk assessments in line with global developments and have a comprehensive understanding of the risk profile of their industry, the countries in which they operate, their customers, suppliers and all third parties with whom they interact. Risk assessments should also include organisations’ internal risks and take place across all areas of business.

Resources that are available to conduct risk assessments include:

- 1. Trace International Bribery Risk Matrix
- 2. Transparency International Corruption Perceptions Index
- 3. UK Government Bribery and Corruption Assessment Template
- 4. The Financial Services Authority AML Handbook

The Guidance states that risk assessment should be “periodic, informed and documented”.

Due Diligence:

This is already a key element of many organisations’ operating procedures. The Guidance explains that undertaking thorough and proportionate due diligence in respect of third parties can both inform an organisation’s assessment of the overall risk of doing business as well as the measures it would need to adopt to mitigate that risk.

Due diligence is not just a ‘tick box exercise’. It should be conducted using a risk-based approach (ie one that takes into account the actual or perceived risk in a particular situation), be thorough enough to withstand external review, and be acted on.

Organisations may also wish to consider conducting appropriate and proportionate due diligence in their recruitment and human resources functions to mitigate the risk from employees engaging in bribery.

Communication (including training):

Clearly communicating an organisation’s policies and procedures in respect of bribery and corruption not only provides clear guidance for employees, but also delivers a definitive statement to external stakeholders. This can help to either reassure potential customers or suppliers, while serving as a deterrent to those who may expect to receive a bribe from, or pay a bribe on behalf of, the organisation.

Communication and training should be accessible and relevant, focusing both on the policies and procedures as well as their implementation. Included in the communication should be signposting to where employees can raise concerns and offer suggestions.

Monitoring and Review:

The global landscape is changing at a rapid pace and organisations are strongly advised to regularly review and update their anti-bribery and corruption policies and procedures.

It is also important for organisations to monitor how effective their policies and communications are at raising and maintaining awareness of bribery and corruption, and to update their approach where necessary.

External verification measures and benchmarks against similar organisations may also provide valuable metrics.

What can everyone do?

Vigilance:

Protecting people from bribery and corruption is everyone’s responsibility. We all have a duty to remain vigilant and report suspicious activity when we see it.

Section Four – Strategic Objectives and Actions

Each of the three statements set out in the Vision will be delivered through a set of coordinated Strategic Objectives which are further broken down into measurable Actions. To ensure coherence across the Island, these actions will be delivered across both policy and operational areas. The proposed Actions are based on risk factors, mitigations and recommendations discussed during engagement with private and public sector stakeholders and drawn from feedback and consultation.

By achieving the statements in the Vision, the Isle of Man will fulfil its Mission Statement to ‘protect people from bribery and corruption whether perpetrated here or further afield’.

It is envisaged that the delivery of the Strategic Objectives will be over five years, split into three phases. Each phase is structured to build on the last. Recognising that initial work needs to be done to raise awareness of the issue and provide information and guidance, Phase One will focus on defining bribery and corruption and our response to it. Phase Two will deliver targeted, sector specific advice, review legislation and demonstrate the Island’s work further afield. Phase Three will look to the future and how the Island can show leadership in this environment.

1

Address the risks to the Isle of Man, identified in the National Risk Assessment 2020, in respect of Bribery and Corruption

Phase One Actions:

Actions led by policy areas:

- ◊ Align activity with the Isle of Man overarching Financial Crime Strategy 2021 –2023.
- ◊ Launch an Anti-Bribery and Corruption Communications Strategy Island-wide to raise awareness of the Project and invite engagement and participation. Develop a set of key indicators to demonstrate progress.
- ◊ Engage proactively with the UK Government’s Joint Anti-Corruption Unit.
- ◊ Contribute to the Proceeds of Crime Act Review to ensure this legislation supports agencies to effectively address bribery and corruption.
- ◊ Actions led by operational areas:
- ◊ Deliver Anti-Bribery and Corruption Strategy and website.
- ◊ Deliver Communications activities as outlined in the communications strategy.

Phase Two Actions:

Actions led by policy areas:

- ◊ Review and consider the extent to which all of the Isle of Man’s existing legislation, including the AML / CFT Codes are suitable to address the risk from bribery and corruption.

Phase Three Action:

Action led by policy area:

- ◊ Position the Isle of Man as a leader in the field among small countries and islands, sharing knowledge and experience.

2

Reduce vulnerabilities to Bribery and Corruption within the Public Sector

Phase One Actions:

Actions led by policy areas:

- ◊ Review and, if necessary, recommend updates to Isle of Man Government policies, guidance and training relating to bribery and corruption.
- ◊ Engage with Local Authorities to deliver recommendations and guidance to reduce vulnerabilities to bribery and corruption.

Phase Two Actions:

Actions led by policy areas:

- ◊ Work with Government Departments, Boards and Offices to identify bribery and corruption risks and provide advice and recommendations to address these.
- ◊ Review and update policies on managing conflicts of interest in respect of public private relationships.
- ◊ Publish details of all grant funding provided by Isle of Man Government, anonymised where appropriate.

3

Demonstrate that the Isle of Man has a coherent approach to combatting both domestic and international Bribery and Corruption

Phase One Actions:

Actions led by policy areas:

- ◊ Review the Island’s compliance with international treaties and conventions and deliver recommendations on how gaps should be addressed.
- ◊ Engage with industry with a view to identifying ‘Industry Champions’ to lead the sector in the response to bribery and corruption.
- ◊ Promote integrity across the public and private sectors.
- ◊ Set up information sharing and focus groups stretching across agency industry boundaries to facilitate the transfer of knowledge and coordination of activities.
- ◊ Seek to reduce the concealment of criminal activity through the abuse of shell companies through the introduction of a public register of beneficial ownership.
- ◊ Seek to strengthen whistle-blower protections.
- ◊ Contribute to activities that support the Isle of Man Island Plan Vision to “Meet or exceed global standards and enhance our reputation as an internationally responsible and increasingly sustainable jurisdiction”.

Actions led by operational areas:

- ◊ Identify gaps in the Island’s response to bribery and corruption and provide recommendations and guidance to relevant industries or agencies on how these can be addressed.
- ◊ Work closely with agencies addressing Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing⁹ to ensure activities are aligned.
- ◊ Support international engagement through Law Enforcement engagement via the FIU as an associate member of the International Anti-Corruption Coordination Centre (IACCC).
- ◊ To support the application of the FIU to become a member of the UNODC’s GlobE network.
- ◊ Recognise the IOMFIU as the anti-bribery and corruption “specialised authority” as required by article 36 of UNCAC.
- ◊ Identify appropriately skilled resource to deliver this essential function.

Improve detection, reporting and enforcement in respect of both domestic and international Bribery and Corruption

Phase One Actions:

Actions led by policy areas:

- ◊ Update and make more accessible the general Guidance document on the Bribery Act for all sectors.
- ◊ Consider the introduction into legislation of “Unexplained Wealth Orders”
- ◊ Provide template risk assessments and policy documents.
- ◊ Establish and maintain relationships with relevant Isle of Man agencies and sectors to identify how combatting bribery and corruption can most effectively be achieved

Actions led by operational areas:

- ◊ Deliver an Island-wide awareness raising and educational programme.
- ◊ Deliver a confidential portal through which concerns relating to bribery and corruption can be reported.
- ◊ To deliver an effective and proportionate response where Regulatory deficiencies are identified.
- ◊ Provide a pro-active and effective response through criminal investigation where there are reasonable grounds to suspect that bribery and corruption has taken place in the IOM or by an IOM ‘commercial organisation’.
- ◊ To properly investigate and prosecute international bribery and corruption where the proceeds have been laundered through the Isle of Man.
- ◊ Confiscate the proceeds of Bribery and Corruption through criminal and civil forfeiture activity.
- ◊ Promote international cooperation in the detection and return of assets arising from international bribery and corruption.
- ◊ Continue to build and maintain relationships with international anti-corruption bodies. Both

Phase Two Actions:

Actions led by policy areas:

- ◊ Evaluate effectiveness of awareness-raising and educational programmes and recommend updates where required.
- ◊ Publish Sector-Specific guidance, including typologies, case studies and red flags.

Deliver a long-term and sustainable model for addressing the ongoing risk to the Island from international and domestic bribery and corruption

Phase One Actions:

Actions led by policy areas:

- ◊ Deliver a sustainable long-term model that will best serve the Isle of Man’s needs.
- ◊ Establish an effective mechanism, working with the private sector, to identify and provide recommendations for addressing existing and emerging threats and risks.
- ◊ Maintain existing information sharing frameworks between agencies to coordinate anti-bribery and corruption activities in the Isle of Man and improve these where necessary.
- ◊ Identify international frameworks and benchmarks against which the Island’s approach and activities can be evaluated.

Phase Two Action:

Action led by policy area:

- ◊ Continue to further develop relationships with equivalent bodies in other jurisdictions to facilitate the sharing of information and best practice.



Section Five – Beyond the Strategy

The Anti-Bribery and Corruption Strategy is the framework for how the Isle of Man will work to address the threats from bribery and corruption in the next five years. However, events of the past few years have illustrated that circumstances can change at short notice and present new challenges and priorities.

It is therefore critical that the Strategic Objectives and Actions continue to be reviewed, evaluated and, where necessary, updated. A number of key indicators will provide a measure of how well each of the Strategic Objectives is achieving its aims and will be monitored on an annual basis.

The key indicators are outlined below.

1

Address the risks to the Isle of Man, identified in the National Risk Assessment 2020, in respect of Bribery and Corruption

- ◊ The specific risks identified in the NRA are all addressed – namely:
 - Those associated with third parties and ‘gatekeeper’ organisations;
 - Potential laundering of corruptly obtained wealth either through the purchase of high value assets or via the Island’s financial or legal systems; and
 - Those arising from foreign property ownership.
- ◊ Relevant legislation supports agencies in their response to bribery and corruption, including prosecutions either of bribery or of laundering the proceeds of bribery and corruption.

2

Reduce vulnerabilities to Bribery and Corruption within the Public Sector

- ◊ Increased Isle of Man Government staff engagement with Audit Advisory Division to report concerns and seek advice.
- ◊ Governance documents and communications in relation to all Public Private Partnerships makes explicit reference to bribery and corruption and the steps taken to mitigate the risk.
- ◊ Local Authorities publish Bribery and Corruption guidance for all staff.
- ◊ Consistent Conflict of Interest guidance is published for all public sector workers.
- ◊ Quantitative surveys among Isle of Man Government staff show improved awareness of bribery and corruption and how to respond.
- ◊ Public attitude surveys show an increased level of trust in Government processes.

3

Demonstrate that the Isle of Man has a coherent approach to combatting both domestic and international Bribery and Corruption

- ◊ The Anti-Bribery and Corruption Website is launched and sets out the Island’s approach to bribery and corruption.
- ◊ Information and guidance in respect of all aspects of bribery and corruption is clear, relevant and accessible.
- ◊ Sector specific guidance is published, accessed and used by industry.
- ◊ Policies, procedures, codes and guidance of relevant public and private sector bodies reference the Anti-Bribery and Corruption Strategy.

- ◊ Monitoring of international treaties and conventions confirms that the Island is meeting its obligations.
- ◊ International recognition for the Isle of Man in this area and requests for assistance from other jurisdictions.
- ◊ Public and private sector networks are set up to facilitate information sharing, advice and guidance.
- ◊ The IOMFIU is recognised as the Isle of Man’s anti-bribery and corruption “specialised authority” as required by article 36 of UNCAC.
- ◊ Suitably skilled resources are identified to deliver the strategy.

4

Improve detection, reporting and enforcement in respect of both domestic and international Bribery and Corruption

- ◊ Increased reporting of bribery and corruption.
- ◊ The number of Regulatory actions undertaken in relation to bribery and corruption failings is measured and recorded.
- ◊ The number of criminal investigations into bribery and corruption offences and money laundering of the proceeds of bribery and corruption are measured and recorded.
- ◊ The amounts of funds recovered that are the proceeds of Bribery and Corruption through criminal and civil forfeiture activity are measured and recorded.
- ◊ The amount of funds repatriated to the victims of bribery and corruption is measured and recorded.
- ◊ Review is undertaken into the introduction into legislation of “Unexplained Wealth Orders.”

5

Deliver a long-term and sustainable model for addressing the ongoing risk to the Island from international and domestic bribery and corruption

- ◊ There is a clear lead for Anti-Bribery and Corruption activities in the Isle of Man.
- ◊ Agencies have agreed information sharing arrangements with each other in relation to Anti-Bribery and Corruption activities.
- ◊ Networks with equivalent bodies in other jurisdictions are established and used regularly.
- ◊ Best practice benchmarks and metrics are regularly shared.

References

Some examples of other Strategies and ABC Commission Models:

- Guernsey ABC Committee: <https://www.gov.gg/article/156152/Bribery-and-corruption>
- Cayman Anti-Corruption Commission: <https://www.anticorruptioncommission.ky/>
- UK Anti-Corruption Strategy: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf
- South African Anti-Corruption Strategy: https://www.gov.za/sites/default/files/gcis_document/202105/national-anti-corruption-strategy-2020-2030.pdf
- Singapore – ‘Singapore Together’ strategy – <https://www.cpiib.gov.sg/who-we-are/our-corporate-philosophy/mission-vision-core-values/>
- Mauritius Independent Commission Against Corruption <https://www.icac.mu/about-the-icac/>
- Seychelles Anti-Corruption Commission: https://www.accsey.com/accs/about_accs

