

Dear licence holder,

Registered Entity:

Subject: Call for views – Lenders

The Authority is in the process of reviewing the definition of “lender” included within the Designated Businesses (Registration and Oversight) Act 2015 (here after “DBRO Act”). You will have seen our recent consultation regarding proposed updates to Schedule 1 of the DBRO Act. Following reviewing the responses to the consultation, it was identified that there is some ambiguity in the definition of lender and therefore we have looked at this further.

Section 4 of the DBRO Act currently defines the following activity as a designated business:

“A business which provides lending in respect of products other than consumer products for and on behalf of customers, subject to paragraph 5.”

It has come to the attention of the Authority that the above definition requires a revision in order to further align with the FATF international standards and to alleviate the aforementioned potential ambiguity. Based on this, the Authority is proposing to revise the definition to the following:

“A business which provides lending for and on behalf of customers, subject to paragraph 4(2).”

Given this proposal, the Authority is seeking views on whether this revision will cause any material concerns. Further information on the definitions will be provided within the published guidance for moneylenders.

We would value any response to the above and request these be provided on or before Friday 19th July 2024 to aml@iomfsa.im. Nil returns are not required and any responses after this date will not be considered. If you would like to discuss this further please let us know and we can arrange a call to discuss.

Kind regards,

Isle of Man Financial Services Authority

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