



**ISLE OF MAN
FINANCIAL SERVICES AUTHORITY**

Lught-Reill Shirveishyn Argidoil Ellan Vannin

**Call for Input
Family Office type services**

CI24-01

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Glossary

AML	Anti-Money Laundering
Authority	Isle of Man Financial Services Authority
Cfi	Call for Input
CFT	Countering the Financing of Terrorism – includes countering the financing of proliferation and is to be construed in accordance with the definitions of “financing”, “terrorism” and “proliferation” in section 3 of the Terrorism and Other Crime (Financial Restrictions) Act 2014
Designated Business	a person that is registered by the Isle of Man Financial Services Authority to undertake designated business listed in Schedule 1 to the Designated Businesses (Registration and Oversight) Act 2015
Engagement Hub	Isle of Man Government’s Engagement Hub ¹
Family Office	A Legal Arrangement or Legal Person that provides wealth management provisions for ultra-high-net-worth Families
FSA08	Financial Services Act 2008
NRA	National Risk Assessment
AML/CFT Code	Anti-Money Laundering and Countering the Financing of Terrorism Code 2019
MONEYVAL	MONEYVAL – monitoring body of the Council of Europe

¹ <https://consult.gov.im/>

1. Executive Summary

1.1 Overview

This Call for Input (“Cfi”) is issued by the Isle of Man Financial Services Authority (“the Authority”), which is the regulatory and AML/CFT oversight body for financial services and designated businesses in the Isle of Man (“the Island”).

The Authority is issuing this Cfi through the Isle of Man Government’s Engagement Hub (“Engagement Hub”) for the purpose of obtaining information on the prevalence and provision of Family Office type services being offered by way of business in or from the Island.

1.2 What is the purpose of this Call for Input?

The primary objective of this Cfi is to establish a clearer picture of the number of Family Office type services which are managed in or from the Island and also the extent of the activities, including whether such offices are operating by way of business.

As part of its long term AML/CFT effectiveness programme, the Island is undertaking a revised National Risk Assessment (“NRA”)² and to support this the Authority will be leading on the production of a number of sectoral and topical risk assessments that will feed into the updated NRA. The Cfi will seek to gather data required to help formulate a picture of Family Office type services being offered by way of business in or from the Island. The data collected will feed into a standalone Legal Persons / Legal Arrangements risk assessment, drawing out the associated risks, and ensuring the Island can continue to improve AML/CFT effectiveness whilst also continuing to meet international standards.

In addition to gaining information on the number and extent of Family Office type services managed in, or from ,the Island, the Authority is also seeking feedback from interested parties in relation to potential options for how these types of arrangements might be treated in the future. Following this initial Cfi, further research will be conducted in relation to the available options and this will form the content of a further Consultation Paper or Discussion Paper at the appropriate time.

1.3 Who may be affected by this Call for Input?

This Cfi is relevant to persons who may be offering Family Office type services in or from the Island by way of business. It is also relevant to persons carrying on regulated activity under the Financial Services Act 2008 (“FSA08”).

1.4 How do I respond to this Call for Input?

This Cfi has been published on the Authority’s website. It has also been published on the Engagement Hub where you can give your responses by clicking on the ‘Online Survey’ link.

² [Isle of Man Government - National Risk Assessment](#)

Responses made outside of the 'Online Survey' can be submitted by email to aml@iomfsa.im and, if in an attachment, preferably in an extractible format, e.g. Microsoft Word document. Alternatively you can submit responses by post to:

Miss Lucy Hendy

Senior Manager

AML/CFT Supervision Division

Isle of Man Financial Services Authority

PO Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 1DT

1.5 What happens next?

Following closure of the Cfl period on **26 June 2024**, the Authority will review the responses received and publish a Feedback Statement on the Authority's website and on the Engagement Hub.

1.6 Questions about this Call for Input?

If you have a query in relation to how the Cfl process has been carried out, please contact the AML/CFT Division by email at aml@iomfsa.im or by telephone on +44 1624 646000.

2. Call for Input Process

2.1 The Authority's regulatory objectives

The Authority's regulatory objectives are set out in section 2(2) of the FSA08 as —

- (a) securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- (b) the reduction of financial crime; and
- (c) 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.

2.2 Basis for change

The current position is that Family Office type services which are undertaken utilising an exemption from licensing under the FSA08 are beyond the regulatory perimeter. They are subject to the requirements of the Anti-Money Laundering and Countering the Financing of Terrorism Code 2019 ("the Code"), if the activities are being undertaken by way of business, but are not subject to AML/CFT supervision or compliance oversight.

Where such activities are not undertaken by way of business, those persons may be subject to the Anti-Money Laundering and Countering the Financing of Terrorism (Unregulated Trustees) Code 2018, but are not subject to compliance oversight or AML/CFT supervision.

The Authority is undertaking this CfI to obtain further information in this area in order to inform the Island's NRA, and to consider whether the current position is appropriate and in line with international standards.

A list of specific representative groups to which this CfI has been sent is shown in the **Appendix**.

2.3 Responding to the Call for Input

Open dialogue with stakeholders is an essential element for the success of this CfI. Constructive feedback will help the Authority reach an informed decision on the subject matter. The Authority requests that submissions are not made anonymously as they will not be considered or included in the Feedback Statement.

2.4 Confidentiality and Data Protection

The information you send may be published in full or in a summary of responses. All information in responses, including personal data, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2015 and the Data Protection Act 2018) with which the Authority is obliged to comply.

The Authority is registered with the Information Commissioner as a data controller under Isle of Man data protection legislation. It collects and processes personal data to carry out its functions under relevant legislation and may share personal data with other parties where there is a legal basis for doing so. Further information on how the Authority collects and processes personal data can be found in the Privacy Policy on the Authority's website: <https://www.iomfsa.im/terms-conditions/privacy-policy/>.

2.5 Options for the future treatment of Family Offices

The Authority has provided three high level potential options for the possible future treatment of Family Office type services managed in or from the Island. Further research and additional stakeholder consultation will be undertaken by the Authority prior to any decision being made.

2.5.1 Option 1

- Maintain the current treatment of Family Office type services operating by way of business. This activity would continue to sit outside of any regulatory oversight and AML/CFT supervision. If this were the selected option, the Authority would seek information periodically in order to monitor the regulatory perimeter and inform the Island's National Risk Assessment ("NRA").

2.5.2 Option 2

- Expand Schedule 1 to the Designated Businesses (Registration and Oversight) Act 2015 to bring Family Office type services within the scope of the registration requirements and AML/CFT oversight regime under that Act.

2.5.3 Option 3

- Bring Family Office type services within the scope of regulation under the Financial Services Act 2008. This would result in family offices being subject to regulatory requirements and supervision, e.g. the Financial Services Rule Book as well as AML/CFT supervision.

3. Impact Assessment

At this stage, the Authority is seeking input around the provision of Family Office type services. Any potential longer-term impacts will depend on decisions made around the future treatment of these on the Island. The information obtained from this CfI will be an important part of the Authority’s considerations.

4. Questions

Question 1 [Required]

What is your name?

Response:

Question 2 [Required]

Do you offer Family Office type services in or from the Island? If so, are these services provided by an Isle of Man registered Company?

Response:

Question 3 [Required]

Are these services offered by way of business? If you do not consider them to be offered by way of business, why not?

Response:

Question 4 [Required]

Are you registered under the Designated Businesses (Registration and Oversight) Act 2015 to provide any designated business services?

Response:

Question 5 [Required]

Are you licensed under the FSA08 to undertake any regulated activities?

Response:

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Option 1 [Required]

Please provide any comments or views in respect of Option 1:

Response:

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Option 2 [Required]

Please provide any comments or views in respect of Option 2:

Response:

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Option 3 [Required]

Please provide any comments or views in respect of Option 3:

Response:

Appendix – List of Groups to which this Call for Input has been sent

- Alliance of Isle of Man Compliance Professionals
- Association of Chartered Certificated Accountants (as oversight body)
- Association of Chartered Certified Accountants (Isle of Man branch)
- Association of Corporate Service Providers
- Chartered Institute for Securities and Investment (Isle of Man branch)
- Digital Isle of Man
- Finance Isle of Man
- Financial Intelligence Unit
- Financial Planners & Insurance Brokers Association
- Institute of Certified Bookkeepers (as oversight body)
- Institute of Chartered Accountants In England and Wales (as oversight body)
- Institute of Directors (Isle of Man branch)
- Institute of Financial Accountants (as oversight body)
- International Association of Bookkeepers (as oversight body)
- Isle of Man Bankers Association
- Isle of Man Chamber of Commerce
- Isle of Man Government Cabinet Office – AML/CFT Policy Office
- Isle of Man Law Society (as oversight body)
- Isle of Man Newspapers
- Isle of Man Society of Chartered Accountants
- Isle of Man Treasury
- Isle of Man Wealth & Fund Services Association
- Society of Trust and Estate Practitioners (Isle of Man branch)
- The Department for Enterprise