



Isle of Man

Ellan Vannin

FINANCIAL SERVICES (MISCELLANEOUS PROVISIONS) BILL 2026

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Explanatory Memorandum

1. This Bill is promoted by Minister Christopher Thomas.
2. In the opinion of the member moving the Bill its provisions are compatible with the Convention rights within the meaning of the *Human Rights Act 2001*.

PART 1 – INTRODUCTORY

3. *Clause 1* provides that the Act is to be cited as the Financial Services (Miscellaneous Provisions) Act 2026.
4. *Clause 2* provides for commencement by order made by the Isle of Man Financial Services Authority (“the Authority”). It allows commencement orders to include consequential, incidental, supplemental, transitional, transitory or savings provisions.

PART 2 – AMENDMENTS TO THE FINANCIAL SERVICES ACT 2008

5. *Clause 3* introduces Part 2 and provides that amendments are to the Financial Services Act 2008 (“FSA 2008”).
6. *Clause 4* standardises terminology by replacing “sub-paragraph” with “subparagraph” throughout the FSA 2008.
7. *Clause 5* amends section 4 of the FSA 2008 to clarify that the prohibition on a person holding themselves out as carrying on a regulated activity applies where no licence is in force, where a licence is breached, or where it is suspended; extends the prohibition to activity during suspension; and expands holding-out provisions.
8. *Clause 6* amends section 10 of the FSA 2008 to clarify the Authority’s power to direct that a person must not be appointed as a director, controller or key person unless fit and proper. The direction power applies before appointment, not retrospectively.
9. *Clause 7* amends section 11 of the FSA 2008 to replace references to “relevant person” with “notified person”; update disclosure provisions relating to employment applications; and provide definitions of terms used in section 11.
10. *Clause 8* amends section 12 to clarify that guidance may include guidance which constitutes guidance or standards for the purposes of section 18(3) (the Rule Book).
11. *Clause 9* amends section 13 to broaden the Authority’s power to issue public statements in relation to regulated activities generally and in relation to any matter connected with its statutory functions.

12. *Clause 10* amends section 14 to extend the Authority’s power to direct a person to take action or refrain from taking action.
13. *Clause 11* substitutes section 16 to replace the entire civil penalty regime under the FSA 2008. It introduces a comprehensive administrative penalty framework that applies to permitted persons and specified role-holders; allows penalties as an alternative to prosecution; includes limitation periods, publication powers, and enforcement mechanisms. The Authority must make regulations (subject to Tynwald approval) governing their operation.
14. *Clause 12* amends section 25 to expand Treasury’s powers to permit delegation of the administration of a depositor compensation scheme; require information; impose levies for administration costs; and obtain investor and depositor information before a scheme is activated.
15. *Clause 13* amends section 26 to clarify that the Treasury prescribes the matters referred to in section 26(4) by order.
16. *Clause 14* inserts new section 29A to provide for statutory protection for trusts and trustees where a regulated activity was carried on unlawfully by a service provider but where the trust or trustees themselves are not the contravening party.
17. *Clause 15* inserts section 31A to provide that information prohibited from disclosure under the 2008 Act is absolutely exempt under the Freedom of Information Act 2015.
18. *Clause 16* amends section 33 to update definitions, in particular, to include the Bank (Recovery and Resolution) Act 2020 in the list of specified enactments in respect of which the statutory indemnity applies when the Authority is exercising its powers.
19. *Clause 17* amends section 35 in respect of the Authority’s obligation to maintain a register of current licenceholders and former licenceholders.
20. *Clause 18* amends section 40 to create a new offence for contravening a direction under Schedule 2 of the 2008 Act.
21. *Clause 19* amends section 45 to update Tynwald procedural references to align with the Legislation Act 2015.
22. *Clause 20* amends section 46 to extend the Authority’s fee-charging powers to cover all statutory functions, including overhead recovery.
23. *Clause 21* amends various definitions in section 48, including “associate”, “controller”, “director” and “permitted person”. The Bill aligns definitions across regulatory statutes.
24. *Clause 22* amends Schedule 1 to include the Bank (Recovery and Resolution) Act 2020 in the list of Acts in respect of which the Authority has functions; and makes other minor amendments.
25. *Clause 23* amends Schedule 1A extending the powers of the High Court to make supplementary orders.

26. *Clause 24* amends Schedule 2 to expand the Authority's inspection and investigation powers, including its powers to required information.
27. *Clause 25* amends Schedule 4 to update mediation and adjudication procedures and align tribunal, court and disclosure processes.

PART 3 – AMENDMENTS TO THE COLLECTIVE INVESTMENT SCHEMES ACT 2008

28. *Clauses 27–39* amend the Collective Investment Schemes Act 2008 (“CISA2008”) to mirror, as far as is practicable, amendments made to the FSA 2008, including continuity of regulatory oversight in liquidation, fit and proper directions, warning notices, the civil penalties regime, public statements and expanded inspection and enforcement powers.
29. *Clause 27* introduces Part 3 and provides that amendments are to the CISA 2008.
30. *Clause 28* standardises terminology by replacing “sub-paragraph” with “subparagraph” throughout the CISA 2008.
31. *Clause 29* amends section 1 to provide that where an open-ended investment company enters into liquidation, it is to be treated as remaining a collective investment scheme despite it no longer being open-ended in nature, for the purpose of the Authority exercising its inspection, investigation and enforcement powers in respect of it.
32. *Clause 30* amends section 11A to clarify if the persons constituting the governing body of a scheme do not satisfy the Authority that a person is a fit and proper person to be a member of the governing body of a scheme, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, be appointed as such a member.
33. *Clause 31* amends section 11F to update the term “relevant person” to “notified person” for consistency with the power of the Authority to notify a person under that section; clarify that a warning notice may propose that the notified person take such action or to refrain from taking such action as is specified in the notice; and extend the Authority's power to disclose the circumstances surrounding a warning notice issued under section 11F.
34. *Clause 32* amends section 12 to clarify that the Authority may make a direction to require a governing body of a scheme to refrain from taking action which the Authority believes is necessary to protect the participants or potential participants in the scheme.
35. *Clause 33* inserts section 15A to provide that where the Authority applies to a court, under the provisions of CISA 2008 for an order to wind up a scheme that is a company, the application is to be treated as if it were an application by the Authority under section 164(1)(d) (provisions as to applications for winding up) of the Companies Act 1931; and the Authority is to be treated as being satisfied that it is expedient in the public interest that the company should be wound up.
36. *Clause 34* substitutes section 19A to replace the entire civil penalty regime under the CISA 2008. It introduces a comprehensive administrative penalty framework

that applies to “relevant persons” (as defined) and specified “role-holders” (as defined); allows penalties as an alternative to prosecution; includes limitation periods, publication powers, and enforcement mechanisms. The Authority must make regulations (subject to Tynwald approval) governing their operation.

37. *Clause 35* inserts section 20A to enable the Authority to issue a public statement concerning a person if the Authority has reasonable grounds to believe that the person is contravening, or has contravened any provision of, or made under, the CIS Act 2008, or any condition, requirement or prohibition imposed, or any direction given, under or by virtue of that Act. Before issuing a statement, the Authority must normally provide the affected person with a copy of the proposed statement and written reasons at least 7 days in advance, using the registered address for authorised persons or the last known address for others. This advance notice may be dispensed with where immediate action is considered necessary.
38. *Clause 36* amends section 22 to provide for the Authority to keep registers of authorised schemes, international schemes and recognised schemes containing particulars and information as are prescribed by regulations. The registers to be kept under section 22 must be available for public inspection at such times, in such manner and by such means as may be prescribed by regulations.
39. *Clause 37* amends section 23 to enable the Authority to make an order prescribing the amount that the Authority considers is reasonable to cover the cost of discharging its functions under the CISA 2008 (including a reasonable proportion of the Authority’s administrative and overhead expenses).
40. *Clause 38* amends section 25 to update Tynwald procedural references to align with the Legislation Act 2015.
41. *Clause 39* amends section 26 to amend various definitions use in the CISA 2008, including “associate”, “controller” and “director”.
42. *Clause 40* amends Schedule 2 to make further provision in connection with full international schemes to ensure that once a scheme is established as an international scheme a failure to comply with a provision of regulations relating to such an international scheme does not of itself affect the existence of the scheme as an international scheme; exempt the scheme from a requirement to comply with such regulations; or prevent the Authority from enforcing such regulations with respect to the scheme.

PART 4 – AMENDMENTS TO THE INSURANCE ACT 2008

43. *Clauses 41–73* amend the Insurance Act 2008 (“IA2008”) to clarify territorial scope; strengthen fitness and propriety controls; revise appointment and notification requirements; introduce a new civil penalties regime; extend register retention periods; expand disclosure gateways; provide for Freedom of Information exemptions; and enhance the Authority’s fee-charging powers.
44. *Clause 41* introduces Part 4 and provides that amendments are to the IA 2008.
45. *Clause 42* standardises terminology by replacing “sub-paragraph” with “subparagraph” throughout the IA 2008.

46. *Clause 43* amends section 5 to expand and clarify when a person is treated as carrying on insurance business “in” or “from” the Island for the purposes of the IA 2008; widens the territorial scope by deeming certain persons to be carrying on business in or from the Island, or acting in the course of such a business, solely by virtue of their corporate or partnership status; and broadens the concept of a person “holding itself out” as carrying on insurance business in or from the Island.
47. *Clause 44* amends section 7 to make further provision on what the Authority will take into account when assessing whether an applicant is a fit and proper person, including the integrity, competence, financial standing, structure and organisation of the applicant; the integrity, competence and financial standing of key individuals (controllers, directors, chief executive and, for long-term insurance, the proposed actuary); the nature of the proposed business; and the suitability of other persons employed by or associated with the applicant. The amendments make provision to allow the Authority to publish guidance describing the criteria it normally applies when making fit and proper assessments, in whatever form and manner it considers appropriate.
48. *Clause 45* amends section 14 to enable regulations (made by the Authority) to set alternative deadlines for the production of accounts of authorised insurers carrying on specified classes of insurance business for the period after board approval of accounts and for the period after the end of the relevant financial year.
49. *Clause 46* amends section 18 so that if an insurer carrying on long-term business does not satisfy the Authority that the person is a fit and proper person to be appointed as actuary, the Authority may direct that such person must not, without the written consent of the Authority, be appointed as actuary. *Clause 46* also removes the requirement for an actuary to notify the Authority when the Actuary’s term of appointment as actuary to an insurer comes to an end.
50. *Clause 47* amends section 21C to provide that the Authority may determine that it is not appropriate for it to be the group supervisor of an insurance group where the insurance business carried on is of a type or category (including class or classes) of insurance business specified in regulations.
51. *Clause 48* amends section 21I to provide that if a designated insurer does not satisfy the Authority that a person is a fit and proper person to be appointed as actuary, the Authority may direct that the person must not, without the written consent of the Authority, be appointed as actuary. *Clause 48* also removes the requirement for the person appointed as an actuary for an insurance group that carries on long-term business to notify the Authority when the appointment comes to an end.
52. *Clause 49* amends section 23 to provide that no person may, by way of business carried on in or from the Island, act as or hold itself out to be an insurance manager for, or in relation to, an insurer, unless that person is registered in the register of insurance managers or exempted from registration by regulations.

53. *Clause 50* amends section 24 to provide that no person may by way of business carried on in or from the Island, act as or hold itself out to be an insurance intermediary in respect of the effecting or carrying out of contracts of insurance which are not investments within the meaning of the Financial Services Act 2008 unless that person is registered in the register of insurance intermediaries or exempted from registration by regulations.
54. *Clause 51* amends section 25 to make further provision on what the Authority will take into account when assessing whether an applicant is a fit and proper person, including the integrity, competence, financial standing, structure and organisation of the applicant; the integrity, competence and financial standing of key individuals (controllers, directors, chief executive). The amendments make provision to allow the Authority to publish guidance describing the criteria it normally applies when making fit and proper assessments, in whatever form and manner it considers appropriate.
55. *Clause 52* amends section 27A to enable regulations (made by the Authority) to set alternative deadlines for the production of accounts of registered insurance managers and insurance intermediaries for the period after board approval of accounts and for the period after the end of the relevant financial year.
56. *Clause 53* amends section 28 to make a minor amendment the effect of which is to enable a person to which Part 7 of the Act applies to be referred to as “A” in provisions in that Part.
57. *Clause 54* amends section 29(1) to prohibit the appointment of a person as director, company secretary, chief executive, auditor, key person or manager of A unless not less than 28 days before the proposed appointment, or such other period as the Authority may agree in writing, a written notice containing such particulars as may be determined by the Authority, is served on the Authority by A. If an appointment is to an office or position which is notifiable only, A must notify the Authority within such time following the date of the appointment as is specified in guidance published by the Authority. However, A may make an appointment before giving written notice to the Authority if the appointment of a person is required due to exceptional circumstances. In those circumstances, A must notify the Authority of the appointment within 5 days of the appointment and provide such other information about the appointment and the exceptional circumstances that gave rise to the appointment as the Authority may reasonably require. Similar controls are in place in respect of persons who are to become a controller of, or insurance manager of, A.
58. *Clause 54* also provides that If A does not satisfy the Authority that a person is a fit and proper person to be appointed to an office or position or to become a controller or insurance manager, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, be appointed to such office or position, or become such a controller or insurance manager. If it appears to the Authority that a person appointed as director, company secretary, chief executive, auditor, key person or manager of A, or controller or insurance manager of A, is not a fit and proper person to continue

as such, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, continue in such an office or position or continue as such a controller or insurance manager.

59. *Clause 55* amends section 29A to refer to “A” throughout.
60. *Clause 56* amends section 29E to update terminology, so as to refer to “key person” instead of principal control officer; and extend the Authority’s power to disclose the circumstances surrounding a warning notice issued under section 29E
61. *Clause 57* amends section 30 to update terminology, so as to refer to “key person” instead of principal control officer. *Clause 57* also removes the requirement in section 30 for an actuary to notify the Authority when the actuary’s term of appointment as actuary to an insurer comes to an end.
62. *Clause 58* amends section 34 to clarify that the Authority may publish information or give advice, or arrange for the publication of information or the giving of advice or guidance (which does not constitute “Guidance Notes” for the purposes of section 51), in such form and manner as the Authority considers appropriate with respect to the operation of the IA 2008 or any other matters about which it appears to the Authority to be desirable to publish information or give advice for the protection of policyholders or any class of policyholders.
63. *Clause 59* substitutes section 37 to replace the entire civil penalty regime under the IA 2008. It introduces a comprehensive administrative penalty framework that applies to “relevant persons” and “specified role holders” (defined in section 37); allows penalties as an alternative to prosecution; includes limitation periods, publication powers, and enforcement mechanisms. The Authority must make regulations (subject to Tynwald approval) governing their operation.
64. *Clause 60* amends section 39B to update Tynwald procedural references to align with the Legislation Act 2015.
65. *Clause 61* amends section 45 to provide that a person aggrieved may appeal, in accordance with rules made under section 8 of the Tribunals Act 2006, to the Financial Services Tribunal against any decision of the Authority specified in the table in that section.
66. *Clause 62* inserts section 46A to provide that information prohibited from disclosure under the IA 2008 is absolutely exempt under the Freedom of Information Act 2015.
67. *Clause 63* amends section 47 to enable the Authority to set fees, by order, for the performance of its functions under the Act, at a level it considers reasonable to recover the costs of those functions, including an appropriate share of administrative and overhead expenses.
68. Any such order is subject to the affirmative Tynwald procedure under section 31 of the Legislation Act 2015, requiring Tynwald approval. Before making an order, the Authority must consult the Treasury and any other persons or organisations likely to be affected. Fees prescribed under the order are enforceable: Any unpaid amount may be recovered by the Treasury as a civil debt.

69. *Clause 64* amends section 48 to provide that a former authorised insurer, permit holder, registered insurance manager or registered insurance intermediary must remain on the applicable register kept by the Authority for 15 years after the person ceases to be an authorised insurer, permit holder, registered insurance manager or registered insurance intermediary.
70. *Clause 65* amends section 50 to update Tynwald procedural references to align with the Legislation Act 2015.
71. *Clause 66* inserts section 50A to give the Authority a discretionary power, with the agreement of the regulated person, to grant exemptions or modifications from regulatory requirements. The Authority may direct that specified regulations or binding Guidance Notes do not apply to an authorised insurer, registered insurance manager or registered insurance intermediary, or apply only with modifications. The scope of this power includes permitted activities, conduct of business, products and services, customer relationships, corporate governance and risk management, financial and capital requirements, regulatory reporting, and matters necessary to achieve the Authority's regulatory objectives. Separately, the Authority may exempt such persons from, or modify, the statutory requirement to submit audited annual accounts under sections 14(3) or 27A(3).
72. *Clause 67* amends section 51 so that the Authority may, on the application or with the consent of an authorised insurer, registered insurance manager or registered insurance intermediary, direct that the whole of any guidance issued by the Authority under section 51 is not to apply to the insurer, insurance manager or insurance intermediary; or is to apply to that person with such modifications as may be specified in the direction.
73. *Clause 68* amends section 53 to create additional offences for failure to comply with conditions imposed by the Authority and failure to comply with directions made by the Authority. *Clause 68* also updates terminology, so as to refer to "key person" instead of principal control officer.
74. *Clause 69* amends section 54 to amend various definitions use in the IA 2008, including "associate", "controller", "director", "key person" and "key function". Section 54 is also amended to enable the Authority to amend the definition of "key function" by regulations to include other functions.
75. *Clause 70* amends Schedule 5 to substitute paragraph 1A, concerning the appointment of experts, to provide that the Authority may appoint an independent expert to investigate the business of any person or of a scheme referred to in that paragraph and report to the Authority in the manner the Authority directs on that person's affairs or on that scheme. For the purposes of an investigation or supervisory assessment, the Authority may authorise the independent expert to exercise, on its behalf, such powers conferred by or under Schedule 5 and such other supervisory functions of the Authority as the Authority may specify. The costs incurred by the Authority in appointing an independent expert may be recovered in accordance with the Authority's general fee-charging powers or, if the costs are incurred in respect of an investigation into

the affairs of a particular business, the costs may be recovered from that particular business. *Clause 70* also amends Schedule 5 to enable the Authority to request any person to provide it with information and to give directions to any person to secure that effect is given to a request for information.

76. *Clause 72* amends Schedule 6 to add to the list in paragraph 2(1) of exceptions from restrictions on disclosure; and enable the Treasury by order to amend that list; and provide that any provision in an agreement (whether a worker's contract or not) between a worker and a person who is an insurer, an insurance intermediary or an insurance manager is void in so far as it purports to preclude a worker from making a disclosure relevant to its functions under any enactment to the Authority.
77. *Clause 73* amends Schedule 7, which lists the matters in respect of which regulations may be made, to provide that regulations may be made in respect of the application of the IA 2008 to limited partnerships (instead of limited liability partnerships).

PART 5 – AMENDMENTS TO THE DESIGNATED BUSINESSES (REGISTRATION AND OVERSIGHT) ACT 2015

78. *Clause 73–96* amend the Designated Businesses (Registration And Oversight) Act 2015 (“DBROA 2015”).
79. *Clause 73* introduces Part 5 and provides that amendments are to the DBROA 2015.
80. *Clause 74* standardises terminology by replacing “sub-paragraph” with “subparagraph” throughout the DBROA 2015.
81. *Clause 75* amends section 3 to amend definitions of “associate”, “controller” and “director” used in the DBROA 2015.
82. *Clause 76* amends section 5 to clarify that the Authority is responsible for assessing compliance with AML/CFT legislation, the DBROA 2015 and with any code made under section 157 (money laundering codes) of the Proceeds of Crime Act 2008 or section 68 (codes relating to the financing of proliferation and terrorism) of the Terrorism and Other Crimes (Financial Restrictions) Act 2014 in relation to any designated businesses and, where any breach of that legislation is found, conducting investigations into any potential liability arising from that breach.
83. *Clause 77* amends section 6 to clarify the Authority's responsibilities when delegating a function to another person, and the responsibilities of a person to whom a function is delegated.
84. *Clause 78* amends section 7 to add to the circumstances when a person is treated as holding itself out as carrying on, in or from the Island, a designated business so that a person is so treated. A person will be treated as holding itself out as carrying on such a business when, by means of any words in the content of a web site or page or an internet site or page it expressly or by implication indicates that the person, or another, carries on a designated business in, from or in connection

with the Island, either on the person's own or another's behalf or as an intermediary for another.

85. *Clause 79* amends section 9 to provide that the Authority must refuse to register an applicant if, on reasonable grounds, it is not satisfied that the applicant or a specified person in relation to the applicant is a fit and proper person.
86. *Clause 80* inserts sections 10A and 10B. Section 10A provides that the Authority may specify in regulations the manner in which a registered person must or may refer to the registered person's registration under the DBROA 2015. Section 10B provides that the Authority may at any time suspend a registration granted under DBROA 2015 instead of, or before, it exercises its power under section 11 to revoke a registration. Section 10B requires the Authority to give written notice to the person concerned of any decision to suspend a registration, together with a statement of the reasons for the decision. Where the Authority suspends a registration, it must review the suspension on a regular basis.
87. *Clause 81* amends section 11 to include failure of a registered person to pay a civil penalty imposed under section 30 as a ground for revocation of a registration; and to provide that for the purposes of the Authority considering revoking a registration on the basis of not being satisfied that the registered person or a specified person in relation to the registered person is a fit and proper person under section 11(1)(a), the matters described in section 9(4) apply to that person. (Section 9(4) lists the matters which are pertinent to the question whether a person is or is not a fit and proper person).
88. *Clause 82* inserts section 13A, which provides that the authority may by order specify returns (in addition to annual returns required under section 13) that must be made to the Authority by such registered persons as may be specified. A registered person must submit to the Authority a return that it is required to submit under section 13 at such intervals as may be specified in the order and accompanied by such information or declaration as may be required by the Authority.
89. *Clause 83* amends section 14 to extend the power of the Authority to carry out inspections and investigations to include inspections and investigations without physical attendance at the registered person's premises.
90. *Clause 84* amends section 18 to remove the reference to "on-site" inspections as a consequence of the amendment to section 14.
91. *Clause 85* amends section 20 to repeal the offence of failure without reasonable cause to notify the Authority of any change in the information required to be given to the Authority under section 8 (application for registration); or if a person has ceased to carry on a designated business in respect of which the Authority registered the person.
92. *Clause 86* inserts section 22A to provide that information prohibited from disclosure under the DBROA 2015 is absolutely exempt under the Freedom of Information Act 2015.

93. *Clause 87* amends section 25 to remove the reference to “on-site” inspections as a consequence of the amendment to section 14.
94. *Clause 88* amends section 26 to enable the Authority to issue a direction to a registered person to require the person to take such action, or to refrain from taking such action, in respect of a designated business as is specified in the direction.
95. *Clause 89* inserts sections 26A and 26B. Section 26A provides that if a registered person does not satisfy the Authority that a person is a fit and proper person to be appointed as a specified person in relation to a registered person, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, be appointed as such specified person; and if it appears to the Authority that any specified person of a registered person, is not a fit and proper person to continue as such, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, continue as such a specified person. Section 26A details the notice procedure to be followed by the Authority and actions to be taken (or not to be taken in consequence of a direction.
96. Section 26B provides power for the Authority to give a written warning notice to a registered person or a specified person before making a direction under section 26A or in any other circumstances that the Authority considers it appropriate to do so. Section 26B(2) provides that a warning notice under section 26B is a notice that the Authority has grounds to believe that such activities or circumstances as are specified in the notice are prejudicial to the notified person’s fitness and propriety and must be accompanied by a statement of the reasons for the giving of the notice. Section 26B details how the warning notice process operates with the Authority’s other powers and enables the Authority to disclose the circumstances surrounding a warning notice issued to a notified person’s employer and other persons specified.
97. *Clause 90* substitutes section 27 to clarify the power of the Authority to issue a public statement concerning a designated business if the Authority has reasonable grounds to believe that the person is contravening, or has contravened any provision of, or made under, the DBROA 2015 or any condition, requirement or prohibition imposed, or any direction given, under or by virtue of this Act.
98. *Clause 91* amends section 30 to replace the entire civil penalty regime under the DBROA 2015. It introduces a comprehensive administrative penalty framework that applies to “registered persons” and “specified role holders” (defined in section 30); allows penalties as an alternative to prosecution; includes limitation periods, publication powers, and enforcement mechanisms. The Authority must make regulations (subject to Tynwald approval) governing their operation
99. *Clause 92* amends section 33 to enable a person to appeal against the suspension of the person’s registration, the issue of a direction or the giving of a warning notice or the terms of a warning notice given.

100. *Clause 93* inserts section 34A to enable the Authority by order to prescribe in connection with the discharge of any of its functions under the DBROA 2015 such amount as the Authority considers is reasonable to cover the costs of the Authority (including a reasonable proportion of the Authority's administrative and overhead expenses).
101. *Clause 94* amends section 35 to update Tynwald procedural references to align with the Legislation Act 2015.
102. *Clause 95* amends Schedule 1 to amend the list of persons exempt from the DBROA 2015.
103. *Clause 96* amends Schedule 2 to add to the list in paragraph 2(1) of exceptions from restrictions on disclosure; and enable the Treasury by order to amend that list.

PART 6 – MISCELLANEOUS REPEALS AND AMENDMENTS

104. *Clause 97* amends the Companies Act 1931 to require courts to ensure company books are not destroyed where required by the Authority.
105. *Clause 98* amends the Retirement Benefits Schemes Act 2000 to replace the entire civil penalty regime in section 50 of that Act. It introduces a comprehensive administrative penalty framework that applies to “relevant persons” and “specified role holders” (defined in section 50); allows penalties as an alternative to prosecution; includes limitation periods, publication powers, and enforcement mechanisms. The Authority must make regulations (subject to Tynwald approval) governing their operation
106. *Clause 99* repeals the Fiduciary Services Act 2005, reflecting consolidation of fiduciary regulation under the FSA 2008.
107. *Clause 100* amends the Bank (Recovery and Resolution) Act 2020 to remove limitation provisions on Authority liability.



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FINANCIAL SERVICES (MISCELLANEOUS PROVISIONS) BILL 2026

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Ellan Vannin

FINANCIAL SERVICES (MISCELLANEOUS PROVISIONS) BILL 2026

1 **A BILL** to amend the Financial Service Act 2008, the Collective Investment Schemes Act
 2 2008, the Insurance Act 2008, the Designated Businesses (Registration and Oversight)
 3 Act 2015, the Companies Act 1931, the Retirement Benefits Schemes Act 2000 and the
 4 Bank (Recovery and Resolution) Act 2020; to repeal the Fiduciary Services Act 2005; and
 5 for connected purposes.

BE IT ENACTED by the King's Most Excellent Majesty, by and with the advice and
 consent of the Council and Keys in Tynwald assembled, and by the authority of the
 same, as follows:—

6 **PART 1 – INTRODUCTORY**

7 **1 Short title**

8 The short title of this Act is the Financial Services (Miscellaneous Provisions) Act
 9 2026.

10 **2 Commencement**

- 11 (1) This Act (apart from this section and section 1) comes into operation on
 12 such day or days as the Authority, by order, appoints.
- 13 (2) An order under subsection (1) may include such consequential,
 14 incidental, supplemental, transitional, transitory or savings provisions
 15 as the Council of Ministers considers necessary or expedient in
 16 connection with the coming into operation of any provision of this Act.

17 **PART 2 – AMENDMENTS TO FINANCIAL SERVICES ACT 2008**

18 **3 Financial Services Act 2008 amended**

- 19 (1) The *Financial Services Act 2008* is amended in accordance with this Part.
- 20 (2) Except as otherwise specified, a reference to a section in this Part is a
 21 reference to the corresponding section in the Financial Services Act
 22 2008.

1 **4 General amendment**

2 For “sub-paragraph” wherever it appears substitute “subparagraph”.

3 **5 Section 4 amended**

4 In section 4 (the general prohibition) —

- 5 (a) in subsection (1), for paragraphs (a) and (b) substitute —
- 6 “(a) in respect of which no licence is in force;
- 7 (b) if such a licence is in force, other than in accordance with the
- 8 conditions, if any, of the licence; or
- 9 (c) at any time when the licence is suspended.”;
- 10 (b) in subsection (3)(a), after “title” insert “, contents”.

11 **6 Section 10 amended**

12 In section 10 (persons unfit to be directors, controllers or key persons) —

- 13 (a) for subsection (1) substitute —
- 14 “(1) If a licenceholder does not satisfy the Authority that a person is a
- 15 fit and proper person —
- 16 (a) to be appointed as a director or key person; or
- 17 (b) to become a controller,
- 18 of that licenceholder, the Authority may, on reasonable grounds,
- 19 direct that such person shall not, without the written consent of the
- 20 Authority, be appointed as such a director or key person or become
- 21 such a controller.”.

22 **7 Section 11 amended**

23 In section 11 (warning notices) —

- 24 (a) in subsections (1), (2), (3)(a), (3)(b), (3)(c) and (4) for “relevant”
- 25 substitute “notified”;
- 26 (b) for subsection (7)(b) substitute —
- 27 “(b) a person who has received an employment application from
- 28 a notified person who, if successful in the application,
- 29 would be required to be —
- 30 (i) a director, key person or controller of a permitted
- 31 person; or
- 32 (ii) an actuary to an insurer or a director, company
- 33 secretary, chief executive, controller, manager or key
- 34 person of a person to whom Part 7 of the *Insurance*
- 35 *Act 2008* applies;”;
- 36 (c) for subsection (8) substitute —

- 1 “(8) In subsection (7) —
- 2 “**notified person**” means a person to whom a notice under subsection (1)
- 3 has been given that is still effective in accordance with subsection
- 4 (6);
- 5 “**officer**” means an officer of a company for the purposes of the *Company*
- 6 *Officers (Disqualification) Act 2009* (see section 1(2) of that Act);
- 7 “**employment application**” in paragraph (b), includes any action which
- 8 would result in the person, if successful, acting in a capacity
- 9 mentioned in that paragraph;
- 10 “**actuary to an insurer**”, “**director**”, “**chief executive**”, “**controller**”, “**key**
- 11 **person**” and “**manager**” in paragraph (b)(ii), have the meanings
- 12 given in the *Insurance Act 2008*.”.

13 **8 Section 12 amended**

14 In section 12 (guidance), in subsection (1), after “give guidance” insert

15 “(including guidance which constitutes guidance or standards for the purposes

16 of section 18(3) (the Rule Book)”.

17 **9 Section 13 amended**

18 In section 13 (public statements), for subsection (4) substitute —

- 19 “(4) The Authority may issue a public statement if it considers it to be
- 20 desirable in the public interest to do so, concerning —
- 21 (a) any matter relating to a regulated activity or persons
- 22 carrying on a regulated activity in general or any class of a
- 23 regulated activity or person carrying on a regulated activity;
- 24 or
- 25 (b) any other matter or persons relating to any of its functions
- 26 under this Act.”.

27 **10 Section 14 amended**

28 In section 14 (directions), in subsection (2)(a) and (c), after “such action” in both

29 places where it appears insert “, or to refrain from taking such action,”.

30 **11 Section 16 substituted**

31 For section 16 (civil penalties) substitute —

32 **“16 Civil penalties**

- 33 (1) In this section —
- 34 (a) a contravention of this Act includes the contravention of any
- 35 prohibition or requirement imposed under this Act and the

furnishing to the Authority of false, inaccurate or misleading information;

(b) a “specified role-holder” means a controller, director or key person of the permitted person; and

(c) references to a “permitted person” and to a “specified role-holder” include a person who has ceased to be such a person, if the contravention was committed or caused by, consented to or connived in, or was attributable to that person’s neglect, at a time when the person was such a person.

(2) The Authority may impose on a permitted person a civil penalty if the Authority is satisfied that the permitted person has contravened or caused the contravention of any provision of this Act.

(3) The Authority may impose a civil penalty on a person who has acted in contravention of section 4 (the general prohibition) or caused a person to act in contravention of that section.

(4) The Authority may impose on a specified role-holder a civil penalty, whether or not the Authority has imposed a civil penalty on any other person, if the Authority is satisfied that —

(a) a permitted person has committed or caused the contravention to a significant and material extent; and

(b) the contravention was committed or caused by or with the consent or connivance of, or was attributable, to the neglect of the specified role-holder.

(5) Where the Authority decides to impose a civil penalty under this section, it must give the person concerned written notice stating —

(a) the decision and the reasons for it;

(b) the amount of the civil penalty; and

(c) such other information as may be specified in regulations made under subsection (12).

(6) If the person does not appeal the decision of the Authority, the civil penalty must be paid in accordance with regulations under subsection (12).

(7) If the person appeals the decision of the Authority and, on the determination of the appeal any amount of the civil penalty remains payable, the civil penalty must be paid within such period as may be specified in regulations under subsection (12) following the determination of the appeal.

(8) A person on whom the Authority has imposed a civil penalty under this section commits an offence if the person fails to pay it before

- 1 the end of the period specified by the Authority in regulations
2 under subsection (12).
- 3 (9) The Authority —
- 4 (a) may impose a civil penalty under this section for a
5 contravention of this Act whether the contravention is an
6 offence or not; but
- 7 (b) if the contravention is an offence, a civil penalty imposed by
8 the Authority must be an alternative to prosecution and
9 have the effect, upon payment of it by a person of conferring
10 on that person, immunity from prosecution for the offence.
- 11 (10) The Authority may not in respect of any contravention referred to
12 in subsection (2), (3) or (4) —
- 13 (a) both require a person to pay a civil penalty under this
14 section and revoke that person's licence issued under
15 section 7 to carry on a regulated activity; or
- 16 (b) require a person to pay a civil penalty under this section if
17 criminal proceedings have been commenced under this Act
18 against that person in respect of the contravention.
- 19 (11) Despite subsection (10), the Authority may revoke a licence of a
20 person under section 9 if the person has failed to pay a civil penalty
21 within the period specified in the regulations made under
22 subsection (12).
- 23 (12) The Authority must make regulations about civil penalties, which
24 may include (but are not limited to) provision for —
- 25 (a) the maximum amount of civil penalty which the Authority
26 may impose on a person under subsections (2), (3) or (4);
- 27 (b) the amount or method of calculation of the civil penalty it
28 may impose in respect of a matter mentioned in subsections
29 (2), (3) or (4);
- 30 (c) any contravention under this Act in respect of which the
31 power of the Authority to require payment of a civil penalty
32 applies;
- 33 (d) the matters to which the Authority must have regard when
34 considering whether or not to impose a civil penalty;
- 35 (e) the processes the Authority must follow when exercising
36 the power to impose a civil penalty;
- 37 (f) additional circumstances in which a civil penalty may be
38 imposed in lieu of criminal proceedings under this Act; and
- 39 (g) the exercise of discretion by the Authority as to —
- 40 (i) the amount of civil penalty that may be imposed;
- 41 (ii) the payment method; or

(iii) the period within which the civil penalty must be paid.

Tynwald procedure – approval required.

(13) Before making regulations under this section, the Authority must consult –

- (a) the Treasury;
- (b) such persons or bodies as appear to be representative of interests likely to be affected; and
- (c) such other persons or bodies as the Authority may determine.

(14) The Authority may not impose a civil penalty under this section in respect of a contravention that occurred before the commencement of section 11 of the *Financial Services (Miscellaneous Provisions) Act 2026*, except that if the contravention was continuing at the time of the commencement of that section, a civil penalty may be imposed in respect of such part of the contravention as continued after the commencement.

(15) The Authority must not impose a civil penalty on a person more than 6 years after the contravention came to the attention of the Authority.

(16) Any amount received as a civil penalty –

- (a) may be enforced as if it were a debt owed by the person on whom it was imposed to the Authority; and
- (b) shall be paid into and form part of the General Revenue of the Island.

(17) The Authority may publish information, in such form and manner as it considers appropriate, with respect to any civil penalties it has imposed.

(18) The Authority may publish guidance setting out the criteria that it will normally apply when exercising its powers under this section.

(19) The guidance under subsection (18) shall be laid before Tynwald and be published in such form and in such manner as the Authority may decide.

(20) Before publishing guidance under subsection (18), the Authority must consult such persons as it considers appropriate.”.

12 Section 25 amended

In section 25 (compensation schemes) –

- (a) after subsection 25(2)(a), insert –

- 1 “(aa) permit a body referred to in paragraph (a) to delegate to such persons
2 it considers appropriate a matter which the body administers,
3 determines or regulates under regulations made under this
4 section;”;
- 5 (b) after subsection 25(2)(c), insert —
- 6 “(ca) require a person referred to in paragraphs (a) to (c) of
7 subsection (1) to submit to the Treasury, a body referred to
8 in paragraph (a) or person referred to in paragraph (aa) such
9 information, or give access to such information, as the
10 Treasury or that body or person may reasonably require for
11 the purpose of administering the scheme;
- 12 (cb) provide for a levy or other payment that must be paid by a
13 person referred to in paragraphs (a) to (c) of subsection (1)
14 to the Treasury, a body referred to in paragraph (a) or a
15 person referred to in paragraph (aa) for the provision of
16 services (including systems) connected to the
17 administration of the scheme generally;”;
- 18 (c) after subsection (3) insert —
- 19 “(4) The information referred to in subsection (2)(ca) includes
20 information about the accounts of the investors and depositors of a
21 person referred to in paragraphs (a) to (c) of subsection (1) that may
22 be provided to the Treasury, or a body referred to in paragraph (a)
23 or person referred to in paragraph (aa), before the commencement
24 of the administration of the scheme.”.

25 **13 Section 26 amended**

26 In section 2(4) (action for damages), after “prescribed” insert “ in an order by the
27 Treasury”.

28 **14 Section 29A inserted**

29 After section 29 (agreements made unenforceable by section 27 or 28), and before
30 Part 7 (supplementary) insert —

31 **“29A Liability in respect of trusts**

32 No contract, act (including omission) or proceeding of, or on behalf of, a
33 trust or its trustees shall be called into question nor treated as illegal,
34 invalid or unenforceable by reason only that a person carrying on a
35 regulated activity undertook corporate services or trust services regulated
36 activity in contravention of section 4 of this Act and no right of action shall
37 arise in civil proceedings against the trust or trustees (other than the
38 person carrying on the regulated activity) by reason only of that
39 contravention.”.

15 Section 31A inserted

After section 31 (restrictions on disclosure of information) insert —

“31A Freedom of Information Act 2015

Where the disclosure of information is prohibited by this Act, that information is absolutely exempt information for the purposes of section 27 of the *Freedom of Information Act 2015* (information the disclosure of which is restricted by law).”.

16 Section 33 amended

In section 33 (statutory indemnity), in subsection (5) —

- (a) in the definition of “designated body”, in paragraph (g), for “Financial Services Tribunal” substitute “Tribunal”;
- (b) in the definition of “specified enactment”, after paragraph (b), insert —
 - “(ba) the *Bank (Recovery and Resolution) Act 2020*”.

17 Section 35 amended

In section 35 (registers), for subsection (1) substitute —

- “(1) The Authority must keep a register of former licenceholders and current licenceholders.
- (1A) A former licenceholder must remain on the register for 15 years after ceasing to be a licenceholder.”.

18 Section 40 amended

In section 40 (offences in connection with information), after subsection (2), insert —

- “(2A) A person who, without reasonable excuse, contravenes any direction under paragraph 2(3) of Schedule 2 is guilty of an offence.”.

19 Section 45 amended

In section 45 (Tynwald procedure) —

- (a) in subsection (1) —
 - (i) for “regulations,” substitute “regulations or”;
 - (ii) for “shall be laid” to the end, substitute “are subject to the Tynwald procedure described in section 31 of the Legislation Act 2015 (Tynwald procedure – affirmative).”;
- (b) in subsection (2) —

- 1 (i) for “16(5) or 44(2)” to the end, substitute “16(7) or 44(2) are
 2 subject to the Tynwald procedure described in section 30 of
 3 the Legislation Act 2015 (Tynwald procedure – approval
 4 required).”;
- 5 (c) in subsection (3) –
- 6 (i) after “subsection (4)” insert “or (5)”;
- 7 (ii) for “shall be laid” to the end, substitute “is subject to the
 8 Tynwald procedure described in section 31 of the
 9 Legislation Act 2015 (Tynwald procedure – affirmative).”;
- 10 (d) in subsection (4), for “shall be laid” to the end, substitute “is subject
 11 to the Tynwald procedure described in section 31 of the Legislation
 12 Act 2015 (Tynwald procedure – affirmative).”;
- 13 (e) after subsection (4) insert –
- 14 “(5) An order made under paragraph 2(10) of Schedule 5 is subject to
 15 the Tynwald procedure described in section 30 of the Legislation
 16 Act 2015 (Tynwald procedure – approval required).”.

17 **20 Section 46 amended**

18 In section 46 (fees) –

- 19 (a) number the text commencing “The Authority may” as subsection
 20 (1);
- 21 (b) after the renumbered subsection (1) insert –
- 22 “(2) The Authority may by order prescribe in connection with the
 23 discharge of any other of its functions under this Act such amount
 24 as the Authority considers is reasonable to cover the cost of
 25 discharging the function (including a reasonable proportion of the
 26 Authority’s administrative and overhead expenses).”.

27 **21 Section 48 amended**

28 In section 48 (interpretation) –

- 29 (a) in subsection (1) –
- 30 (i) for the definition of “associate” substitute –
- 31 ““associate” means –
- 32 (a) in relation to any individual –
- 33 (i) the parent, spouse, civil partner, child, stepchild or
 34 sibling of the individual;
- 35 (ii) any body corporate of which that individual is a
 36 director;
- 37 (iii) a partner or employee of that individual;
- 38 (b) in relation to a body corporate –

- (i) any director or employee of that body;
- (ii) any subsidiary of that body;
- (iii) any holding company of that body;
- (iv) any subsidiary of that holding company;
- (v) any director of any such holding company or subsidiary;

(c) in relation to an individual or a body corporate, any person with whom the individual or body corporate has an agreement, arrangement or other obligation —

- (i) in respect of the acquisition, holding or disposal of shares or other interests in a body corporate; or
- (ii) to act together in exercising voting power with respect to such a body corporate;”;

(ii) in the definition of “controller”, after paragraph (d), insert —

“(e) a person who either alone or with any associate or associates is able to exercise a significant influence over the management of the licenceholder or of another body corporate of which the licenceholder is a subsidiary by virtue of —

- (i) a holding of shares in; or
 - (ii) an entitlement to exercise, or control the exercise of, the voting power of,
- the licenceholder or other body corporate of which the licenceholder is a subsidiary; or

(f) a person who has the power to appoint directors to the board or other executive committees of the licenceholder or other body corporate of which the licenceholder is a subsidiary and to remove them;”;

(iii) in the definition of “director”, in paragraph (c), for “a member, the company’s manager and the registered agent” substitute “the company’s manager, if the management of the limited liability company has been conferred on a manager, or the company’s members, if the management has not been so conferred”;

(iv) for the definition of “permitted person” substitute —

““permitted person” means —

- (a) a current licenceholder;
- (b) a former licenceholder; or
- (c) a person who is exempt from any provision of this Act under section 44(2);”;

- 1 (v) at the end of the definition of “subsidiary”, for the full stop
 2 substitute a semi-colon and insert —
 3 | “the Tribunal” means the Financial Services Tribunal constituted under
 4 | section 32.”;
 5 (b) in subsection (3)(k), omit “in relation to a permitted person”;
 6 (c) in subsection (4), for “16(3)” substitute “16(10)”.

7 22 Schedule 1 amended

8 In Schedule 1 (the Isle of Man Financial Services Authority), —

- 9 (a) in paragraph 2 —
 10 (i) at the end of subparagraph (2)(zf), for the full-stop
 11 substitute a semi-colon;
 12 (b) after subparagraph (2)(zf), insert —
 13 | “(zg) the *Bank (Recovery and Resolution) Act 2020*.”;
 14 (b) in paragraph 3(e) and (f), for “island” substitute “Island”.

15 23 Schedule 1A amended

16 In Schedule 1A (transfer of business including deposit-taking), in paragraph 6
 17 (sanction of the court for relevant transfer schemes) —

- 18 (a) in subparagraph (1), for “This paragraph sets” substitute
 19 “Subparagraphs (2) and (3) set”;
 20 (b) after subparagraph (3) insert —
 21 | “(4) Where the High Court makes an order under this Schedule
 22 | sanctioning a scheme, the High Court may order —
 23 | (a) the transfer to the transferee of the whole or a part of the
 24 | business and of the property or liabilities of the transferor
 25 | (including any part of the business that is not the business
 26 | of deposit taking);
 27 | (b) the allotting or appropriation by the transferee of any
 28 | shares, debentures, policies, deposits or other like interests
 29 | in the transferee which under the scheme are to be allotted
 30 | or appropriated by the transferee to or for any person;
 31 | (c) the continuation by or against the transferee of any legal
 32 | proceedings pending by or against the transferor;
 33 | (d) the dissolution, without winding up, of the transferor; and
 34 | (e) such incidental, consequential and supplementary matters
 35 | as are necessary to secure that the transfer of the scheme
 36 | shall be fully and effectively carried out.”.

1 **24 Schedule 2 amended**

2 In Schedule 2 (inspection and investigation) —

3 (a) in paragraph 1 (inspection and investigation) —

4 (i) for subparagraph (1) substitute —

5 “1. (1) The Authority may inspect the books, accounts and documents
6 and investigate the transactions of —

7 (a) a permitted person;

8 (b) a former permitted person;

9 (c) a collective investment scheme, within the meaning of the
10 *Collective Investment Schemes Act 2008* (including a collective
11 investment scheme that has entered into liquidation) that
12 is —

13 (i) an authorised scheme;

14 (ii) an international scheme;

15 (iii) an exempt scheme; or

16 (iv) a scheme which is exempted under this Act from the
17 requirements to be an authorised scheme, an
18 international scheme or an exempt scheme;

19 (d) a person who is a member of the governing body of a
20 collective investment scheme; or

21 (e) a recognised auditor (but only insofar as concerns the audit
22 of market traded companies).”;

23 (ii) for subparagraph (6) substitute —

24 “(6) The powers provided by this paragraph may be exercised in
25 relation to a person who was formerly engaged in an activity falling
26 within subparagraph (1), but only in respect of or in connection
27 with a transaction, matter or circumstances that occurred or existed
28 when that person was so engaged.”;

29 (iii) in subparagraph (7) for the words beginning with “The
30 powers” and ending with “suspect of —” substitute
31 “Without limiting the exercise of the powers under this
32 paragraph, those powers may be exercised in relation to a
33 person whom the Authority reasonably suspects of —”;

34 (iv) omit subparagraphs (9) and (10);

35 (b) in paragraph 2 (requests for information) —

36 (i) in subparagraph (2) —

37 (A) after “may request” insert “in relation to a person to
38 whom subparagraph (1) refers”;

39 (B) in subparagraph (2)(a) for “a permitted person”
40 substitute “that person”;

- 1 (C) in subparagraph (2)(b) omit “permitted” wherever it
2 appears;
- 3 (ii) in subparagraph (3), for “a permitted person, former
4 permitted person, recognised auditor or former recognised
5 auditor” substitute “a person to whom subparagraph (1)
6 refers”;
- 7 (iii) in subparagraph (6), for “The powers” substitute “For the
8 avoidance of doubt, the powers”;
- 9 (c) in paragraph 3 (power of Authority to require information), for
10 subparagraphs (1) and (2) substitute —
- 11 “(1) If, on an application made by the Authority, a justice of the peace
12 is satisfied that there is good reason to do so for the purposes of
13 investigating the affairs, or any aspect of the affairs, of any person,
14 in so far as those affairs are relevant to the Authority’s functions
15 under this Act, the justice may by written instrument authorise the
16 Authority to exercise the powers under this paragraph which are
17 otherwise not enforceable.
- 18 (2) The Authority may by notice in writing, accompanied by a copy of
19 the instrument issued by the justice of the peace under
20 subparagraph (1) require the person whose affairs are to be
21 investigated or any other person whom it has reason to believe has
22 relevant information —
- 23 (a) to attend before the Authority at a specified time and
24 place; or
- 25 (b) to answer questions or otherwise furnish
26 information with respect to any matter relevant to
27 the investigation; or
- 28 (c) to attend before the Authority at a specified time and
29 place and answer questions or otherwise furnish
30 information with respect to any matter relevant to
31 the investigation.”.

32 25 Schedule 4 amended

33 In Schedule 4 (mediation and adjudication) —

- 34 (a) in paragraph 2 (cases where mediation not available or may not
35 proceed) —
- 36 (i) in subparagraph (1)(a), after “material inconvenience”,
37 insert “as a result of the actions of the supplier or payment
38 service provider to which the complaint relates”;
- 39 (ii) in subparagraph (1)(c), (1)(h) and (1)(k), after “supplier”
40 insert “ or payment service provider”;

(iii) in subparagraph (1)(g), after “supplier’s” insert “ or payment service provider’s”;

(iv) for subparagraph (2) substitute —

“(2) The OFT must decline or cease to act under paragraph 1(3) or 1A(3) where it appears to it that the dispute was referred to it —

(a) more than 6 months after the date on which the supplier or payment service provider sent the complainant its final response; or

(b) more than 3 years after the act or omission giving rise to it came, or ought reasonably have come, to the knowledge of the complainant,

and in any case, more than 6 years after that act or omission.

(2A) Despite subparagraph (2), the OFT may act or continue to act under paragraph 1(3) or 1A(3) if —

(a) in its view, a failure to comply with the time limits in subparagraph (2) was as a result of exceptional circumstances; or

(b) the supplier did not send a valid response.

(2B) For the purposes of subparagraph (2A), “exceptional circumstances” means —

(a) serious illness or death of the complainant; or

(b) serious illness or death of the parent, spouse, civil partner, child, stepchild or sibling of the complainant; or

(c) the complainant did not receive the final response of the supplier or payment service provider; or

(d) any other event prescribed by the OFT in an order.”;

(b) in subparagraph (4), after “suppliers of financial services of any class or description” insert “or payment service providers”;

(c) in paragraph 3 (referral to adjudication), for subparagraph (2) substitute —

“(2) The senior adjudicator or deputy senior adjudicator (see paragraphs 4(1), (2A) and (2B)) must nominate the panel member who is to conduct the adjudication in any case.”;

(d) in paragraph 4 (adjudicators), after subparagraph (2), insert —

“(2A) The Appointments Commission may, when appointing and maintaining a panel of persons under subparagraph (1), designate one of those persons (other than the senior adjudicator) as the deputy senior adjudicator.

(2B) The deputy senior adjudicator may carry out any of the functions of the senior adjudicator, and for this purpose a reference in

- 1 paragraph 7 to the senior adjudicator includes the deputy senior
2 adjudicator.
- 3 (2C) In any case where neither the senior adjudicator nor the deputy
4 senior adjudicator is able to carry out the functions of the senior
5 adjudicator, either the senior adjudicator or the deputy senior
6 adjudicator may nominate another adjudicator whom the senior
7 adjudicator or deputy senior adjudicator, as the case may be, is
8 satisfied is appropriately qualified, to perform the functions of the
9 senior adjudicator.”;
- 10 (e) after paragraph (4) insert —
- 11 *“Resignation etc. of adjudicators*
- 12 4A (1) This paragraph applies to persons appointed under paragraph 4.
13 (2) Persons to whom this paragraph applies may resign from the panel
14 by notice in writing to the Appointments Commission.
15 (3) If the Commission is satisfied that a person to whom this paragraph
16 applies —
- 17 (a) has been absent from the Island for a period longer than 6
18 consecutive months;
19 (b) has become bankrupt or made an arrangement with his
20 creditors;
21 (c) is incapacitated by physical or mental illness; or
22 (d) is otherwise unable or unfit to discharge his or her functions
23 as a member of a tribunal,
- 24 it may by an instrument in writing remove the person from office.
- 25 (4) The procedures adopted in connection with the determination of
26 any matter for the purposes of section 5(3) (resignation etc of members of
27 tribunals) of the *Tribunals Act 2006* for the purposes of determining any matter
28 for the purposes of section 5 of that Act shall apply for the purpose of determining
29 any matter for the purposes of subparagraph (3) as if persons to whom this
30 paragraph applies were persons to whom section 5 of that Act applied.
- 31 (f) in paragraph 5 (adjudication) —
32 (i) after subparagraph (2)(a) insert —
33 “(aa) requiring information about the total value of the
34 loss or damage alleged to have been suffered by the
35 claimant;”;
36 (ii) in subparagraph (2)(c), for “complainant and the supplier”
37 substitute “complainant, supplier or payment service
38 provider”;
- 39 (g) in paragraph 6 (determination and award by adjudicator) —

- 1 (i) after “supplier” in every place where it appears insert “or
2 payment service provider”;
- 3 (ii) in subparagraph (2A) —
4 (A) omit “and” at the end of subparagraph (a);
5 (B) for subparagraph (b) substitute —
6 “(b) in respect of an act or omission occurring on or after 1 April
7 2012 but before the coming into operation of Part 2 of the
8 *Financial Services (Miscellaneous Provisions) Act 2026*,
9 £150,000;
- 10 (c) in respect of an act or omission occurring on or after the
11 coming into operation of Part 2 of the *Financial Services*
12 *(Miscellaneous Provisions) Act 2026*, £200,000.”;
- 13 (h) in paragraph 7 (review by senior adjudicator), after “supplier” in
14 every place where it appears, insert “or payment service provider”;
- 15 (i) in paragraph 8 (cases where adjudication not available or may not
16 proceed), in subparagraph (4), after “where it appears to the
17 adjudicator that any of the conditions specified in paragraph 2(1) is
18 satisfied” insert “or that the total amount of loss or damage to the
19 claimant exceeds the applicable amount”;
- 20 (j) in paragraph 9 (investigation and adjudication: supplemental
21 powers), in subparagraph (1)(a), after “supplier” insert “or
22 payment service provider”;
- 23 (k) in paragraph (10) (supplementary), after subparagraph (1) insert —
24 “(1A) If an award of any amount has been made by an adjudicator
25 in respect of loss or damage arising from a financial services
26 dispute or a payment services dispute the claimant shall not
27 be entitled to commence or continue proceedings in a court
28 in relation to the same dispute or a dispute that is in any way
29 connected to that dispute.”.

30 26 Schedule 5 amended

- 31 In Schedule 5 (disclosure of information), in paragraph 2 (exceptions from
32 restrictions on disclosure) —
- 33 (a) in subparagraph (1)(h), for “discharge functions under enactments
34 relating to income tax” substitute “discharge its functions under
35 any enactment”;
- 36 (b) in subparagraph (1)(n), for “adjudicator to discharge their
37 respective functions under Schedule 4” substitute “adjudicator to
38 discharge their respective functions under any enactment”;
- 39 (c) omit subparagraphs (1)(na), (1A) and (1B);
- 40 (d) in subparagraph (1)(r), after “enabling” insert “or assisting” and
41 omit “or” as it appears after the semi-colon;

- 1 (e) in subparagraph (1)(s), for “to Collector” substitute “the Collector”
2 and omit “or”;
- 3 (f) in the subparagraph (1)(t), for “the purposes of enabling the
4 Financial Service Tribunal to carry out its functions (regardless of
5 the enactment under which the function is conferred).” substitute
6 “the purpose of enabling or assisting the Financial Services
7 Tribunal to carry out any of its functions under any enactment;” ;
- 8 (g) after subparagraph (1)(t), insert –
9 “(u) for the purpose of enabling or assisting the Cabinet Office to
10 carry out its functions under any enactment;
11 (v) for the purpose of enabling or assisting the Financial
12 Intelligence Unit to carry out any of its functions under any
13 enactment;
14 (w) for the purpose of enabling or assisting the Communications
15 and Utilities Regulatory Authority to carry out any of its
16 functions under the Competition Act 2021.”;
- 17 (h) for subparagraphs (2) and (3), substitute –
18 “(2) The Treasury may by order amend paragraph 2(1) to add or
19 remove an entry relating to a public or other authority in the island.
20 (3) An order under subparagraph (2) –
21 (a) must specify the functions of that public or other authority
22 in respect of which disclosure of information is not
23 precluded;
24 (b) may impose conditions subject to which the disclosure of
25 information is permitted by that subparagraph; and
26 (c) may otherwise restrict the circumstances in which that
27 subparagraph permits disclosure.”.

28 PART 3 – AMENDMENTS TO COLLECTIVE INVESTMENT 29 SCHEMES ACT 2008

30 27 Collective Investment Schemes Act 2008 amended

- 31 (1) The Collective Investment Schemes Act 2008 is amended in accordance
32 with this Part.
33 (2) Except as otherwise specified, a reference to a section in this Part is a
34 reference to the corresponding section in the Collective Investment
35 Schemes Act 2008.

36 28 General amendment

37 For “sub-paragraph” wherever it appears substitute “subparagraph”.

29 Section 1 amended

In section 1 (meaning of collective investment scheme), after subsection (5) insert —

“(6) Where an open-ended investment company enters into liquidation, it shall be treated as remaining a collective investment scheme despite it no longer being open-ended in nature, for the purpose of the Authority exercising its inspection, investigation and enforcement powers in respect of it.”.

30 Section 11A amended

In section 11A (persons unfit to be members of governing body), for subsection (1) substitute —

“(1) If the persons constituting the governing body of a scheme do not satisfy the Authority that a person is a fit and proper person to be a member of the governing body of a scheme, the Authority may, on reasonable grounds, direct that such person must not, without the written consent of the Authority, be appointed as such a member.”.

31 Section 11F amended

In section 11F (warning notices) —

- (a) in subsection (2), for “relevant person’s” substitute “notified person’s”;
- (b) in subsections (3)(a), (3)(b), (3)(c) and (4), for “relevant person” substitute “notified person”;
- (c) for subsection (7)(b), substitute —
 - “(b) a person who has received an employment application from a notified person who, if successful in the application, would be required to be —
 - (i) a director, key person or controller of the holder of a licence issued under section 7 of the *Financial Services Act 2008*; or
 - (ii) an actuary to an insurer, or a director, company secretary, chief executive, controller, manager or key person of a person to whom Part 7 of the *Insurance Act 2008* applies;”;
- (d) at the end of subsection (7)(d) for the comma substitute a full stop;
- (e) omit the words “provided that the warning notice is effective in accordance with subsection (6)” that appear immediately after subsection (7)(d);
- (f) for subsection (8) substitute —

- 1 “(8) In subsection (7) —
- 2 “**notified person**” means a person to whom a notice under subsection (1)
- 3 has been given that is still effective under subsection (6);
- 4 “**officer**” means an officer of a company for the purposes of the *Company*
- 5 *Officers (Disqualification) Act 2009* (see section 1(2) of that Act);
- 6 “**director**”, “**key person**” and “**controller**” referred to in paragraph (b)(i)
- 7 have the meanings given in the *Financial Services Act 2008*;
- 8 “**actuary to an insurer**”, “**director**”, “**chief executive**”, “**controller**”, “**key**
- 9 **person**” and “**manager**” referred to in paragraph (b)(ii) have the
- 10 meanings given in the *Insurance Act 2008*; and
- 11 “**employment application**” in paragraph (b) includes any action which
- 12 would result in the person, if successful, acting in a capacity
- 13 mentioned in that paragraph.”.

14 **32 Section 12 amended**

15 In section 12 (directions), in subsection (1)(d), after “any other action” insert “, or

16 requiring that a governing body of a scheme refrain from taking such action,”.

17 **33 Section 15A inserted**

18 After section 15 (application to court), insert —

19 **“15A Winding up of incorporated schemes**

20 Where the Authority applies to court, under the provisions of this Act for

21 an order to wind up a scheme that is a company —

- 22 (a) the application is to be treated as if it were an application by the
- 23 Authority under section 164(1)(d) (provisions as to applications for
- 24 winding up) of the *Companies Act 1931*; and
- 25 (b) if it appears to the Authority that any of the circumstances in
- 26 section 11 exist in relation to the scheme, for the purposes of
- 27 164(1)(d) (provisions as to applications for winding up) of the
- 28 *Companies Act 1931*, the Authority shall be treated as being satisfied
- 29 that it is expedient in the public interest that the company should
- 30 be wound up.”.

31 **34 Section 19A substituted**

32 For section 19A (civil penalties) substitute —

33 **“19A Civil penalties**

34 | (1) In this section —

- 1 (a) a contravention of this Act includes the contravention of any
 2 prohibition or requirement imposed under this Act and the
 3 furnishing to the Authority of false, inaccurate or
 4 misleading information;
- 5 (b) in relation to a scheme, each of the following is a “relevant
 6 person” –
- 7 (i) the administrator;
- 8 (ii) the asset manager;
- 9 (iii) the custodian;
- 10 (iv) a fiduciary custodian of the scheme’s property;
- 11 (v) the investment adviser;
- 12 (vi) the manager;
- 13 (vii) the promoter;
- 14 (viii) a trustee of the property of a unit trust scheme; and
- 15 (ix) a person of a description prescribed by regulations;
- 16 (c) a “specified role-holder” means a member of the governing
 17 body of a scheme; and
- 18 (d) a “relevant person” and a “specified role-holder” include a
 19 person who has ceased to be such a person, if the
 20 contravention was committed or caused by, consented to or
 21 connived in, or was attributable to that person’s neglect at a
 22 time when the person was such a person.
- 23 (2) The Authority may impose on a relevant person a civil penalty if
 24 the Authority is satisfied that the relevant person has contravened
 25 or caused the contravention of any provision of this Act.
- 26 (3) The Authority may impose a civil penalty on a person who has
 27 acted in contravention of section 2 (restriction on establishment) or
 28 3 (restriction on promotion), or caused a person to act in
 29 contravention of either of those sections.
- 30 (4) The Authority may impose on a specified role-holder a civil
 31 penalty, whether or not the Authority has imposed a civil penalty
 32 on any other person, if the Authority is satisfied that –
- 33 (a) a relevant person has committed or caused the
 34 contravention to a significant and material extent; and
- 35 (b) the contravention was committed or caused by or with the
 36 consent or connivance of, or was attributable to the neglect
 37 of, the specified role-holder.
- 38 (5) Where the Authority decides to impose a civil penalty under this
 39 section, it must give the person concerned written notice stating –
- 40 (a) the decision and the reasons for it;

- 1 (b) the amount of the civil penalty; and
2 (c) such other information as may be specified in regulations
3 made under subsection (12).
- 4 (6) If the person does not appeal the decision of the Authority, the civil
5 penalty must be paid in accordance with regulations under
6 subsection (12).
- 7 (7) If the person appeals the decision of the Authority and, on the
8 determination of the appeal any amount of the civil penalty
9 remains payable, the civil penalty must be paid within such period
10 as may be specified in regulations under subsection (12) following
11 the determination of the appeal.
- 12 (8) A person on whom the Authority has imposed a civil penalty under
13 this section commits an offence if the person fails to pay it before
14 the end of the period specified by the Authority in regulations
15 under subsection (12).
- 16 (9) The Authority —
17 (a) may impose a civil penalty under this section for a
18 contravention of this Act whether the contravention is an
19 offence or not; but
20 (b) if the contravention is an offence, a civil penalty imposed by
21 the Authority must be an alternative to prosecution and
22 have the effect, upon payment of it by a person of conferring
23 on that person, immunity from prosecution for the offence.
- 24 (10) The Authority may not in respect of any contravention referred to
25 in subsection (2), (3) or (4) —
26 (a) both require a person to pay a civil penalty under this
27 section and revoke that person's authorisation order or a
28 recognition order under paragraph 4 of Schedule 1; or
29 (b) require a person to pay a civil penalty under this section if
30 criminal proceedings have been commenced under this Act
31 against that person in respect of the contravention.
- 32 (11) Despite subsection (10), the Authority may revoke an authorisation
33 order or a recognition order under paragraph 4 of Schedule 1 if the
34 person has failed to pay a civil penalty within the period specified
35 in the regulations made under subsection (12).
- 36 (12) The Authority must make regulations about civil penalties, which
37 may include (but are not limited to) provision for —
38 (a) the maximum amount of civil penalty which the Authority
39 may impose on a person under subsections (2), (3) or (4);
40 (b) the amount or method of calculation of the civil penalty it
41 may impose in respect of a matter mentioned in subsections
42 (2), (3) or (4);

- (c) any contravention under this Act in respect of which the power of the Authority to require payment of a civil penalty applies;
- (d) the matters to which the Authority must have regard when considering whether or not to impose a civil penalty;
- (e) the processes the Authority must follow when exercising the power to impose a civil penalty;
- (f) additional circumstances in which a civil penalty may be imposed in lieu of criminal proceedings under this Act; and
- (g) the exercise of discretion by the Authority as to –
- (i) the amount of civil penalty that may be imposed;
 - (ii) the payment method; or
 - (iii) the period within which the civil penalty must be paid.

Tynwald procedure – approval required.

(13) Before making regulations under this section, the Authority must consult –

- (a) the Treasury;
- (b) such persons or bodies as appear to be representative of interests likely to be affected; and
- (c) such other persons or bodies as the Authority may determine.

(14) The Authority may not impose a civil penalty under this section in respect of a contravention that occurred before the commencement of section 11 of the *Financial Services (Miscellaneous Provisions) Act 2026*, except that if the contravention was continuing at the time of the commencement of that section, a civil penalty may be imposed in respect of such part of the contravention as continued after the commencement.

(15) The Authority must not impose a civil penalty on a person more than 6 years after the contravention came to the attention of the Authority.

(16) Any amount received as a civil penalty –

- (a) may be enforced as if it were a debt owed by the person on whom it was imposed to the Authority; and
- (b) shall be paid into and form part of the General Revenue of the Island.

(17) The Authority may publish information, in such form and manner as it considers appropriate, with respect to any civil penalties it has imposed.

- 1 (18) The Authority may publish guidance setting out the criteria that it
2 will normally apply when exercising its powers under this section.
- 3 (19) The guidance under subsection (18) shall be laid before Tynwald
4 and be published in such form and in such manner as the Authority
5 may decide.
- 6 (20) Before publishing guidance under subsection (18), the Authority
7 must consult such persons as it considers appropriate.”.

8 **35 Section 20A inserted**

9 After section 20 (guidance) insert —

10 **“20A Public statements**

- 11 (1) The Authority may issue a public statement concerning a
12 person if the Authority has reasonable grounds to believe that the
13 person is contravening, or has contravened —
- 14 (a) any provision of, or made under, this Act; or
15 (b) any condition, requirement or prohibition imposed, or any
16 direction given, under or by virtue of this Act.
- 17 (2) If the Authority has made, varied or revoked a direction under
18 section 11A(1) or (2) or a prohibition under section 11B, the
19 Authority may issue a public statement containing —
- 20 (a) such information about the person subject to the direction
21 or prohibition as it believes appropriate in the
22 circumstances; and
23 (b) such other information as it believes desirable in the public
24 interest about the reasons for —
- 25 (i) giving the direction or imposing the prohibition; or
26 (ii) varying or revoking the direction or prohibition.
- 27 (3) The Authority may issue a public statement if it considers it to be
28 desirable in the public interest to do so, concerning any matter or
29 persons relating to any of its functions under this Act.
- 30 (4) Before issuing a public statement under this section, the
31 Authority —
- 32 (a) where the statement is in respect of an authorised person,
33 shall send a copy of the proposed statement to the person
34 concerned at the address stated in the register kept under
35 section 35 of the *Financial Services Act 2008*; or
36 (b) where the statement is in respect of any other person, shall
37 send a copy of the proposed statement to the person
38 concerned, at the last known address of that person,

1 together with a written notice of the reasons for the issue of the
2 statement.

3 (5) Except where the Authority is of the opinion that immediate action
4 is necessary, the copy and notice under subsection (4) shall be sent
5 not less than 7 days before issuing the public statement under this
6 section.

7 (6) The Authority shall not issue a public statement under this section
8 in respect of a direction under section 11A(1) or (2) or a prohibition
9 under section 11B before the date on which the direction or
10 prohibition takes effect.”

11 36 Section 22 amended

12 In section 22 (public registers) —

13 (a) in subsection (1) —

14 (i) omit “at its principal office”;

15 (ii) after “prescribed” insert “by regulations made under
16 section 24”;

17 (b) for subsection (2), substitute —

18 “(2) The registers to be kept under this section must be available for
19 public inspection at such times, in such manner and by such means
20 as may be prescribed by regulations made under section 24.”

21 37 Section 23 amended

22 In section 23 (financial provisions), after subsection (1) insert —

23 “(1A) The Authority may by order prescribe in connection with the
24 discharge of any of its functions under this Act such amount as the
25 Authority considers is reasonable to cover the cost of discharging
26 the function (including a reasonable proportion of the Authority’s
27 administrative and overhead expenses).”

28 38 Section 25 amended

29 In section 25 (Tynwald procedure), for “must be laid” to the end, substitute “are
30 subject to the Tynwald procedure described in section 31 of the *Legislation Act*
31 *2015* (Tynwald procedure – affirmative).”

32 39 Section 26 amended

33 In section 26 (interpretation), in subsection (1) —

34 (a) for the definition of “associate” substitute —

35 ““associate” means —

36 (a) in relation to any individual —

- 1 (i) the parent, spouse, civil partner, child, stepchild or
2 sibling of the individual;
- 3 (ii) any body corporate of which that individual is a
4 director;
- 5 (iii) a partner or employee of that individual;
- 6 (b) in relation to a body corporate –
- 7 (i) any director or employee of that body;
- 8 (ii) any subsidiary of that body;
- 9 (iii) any holding company of that body;
- 10 (iv) any subsidiary of that holding company;
- 11 (v) any director of any such holding company or
12 subsidiary;
- 13 (c) in relation to an individual or a body corporate, any person
14 with whom the individual or body corporate has an
15 agreement, arrangement or other obligation –
- 16 (i) in respect of the acquisition, holding or disposal of
17 shares or other interests in a body corporate; or
- 18 (ii) to act together in exercising voting power with
19 respect to such a body corporate;”;
- 20 (b) in the definition of “controller” –
- 21 (i) after “in relation to a person” insert “(“P”);
- 22 (ii) in paragraphs (a) and (b), for “the person” substitute “P”;
- 23 for paragraphs (c) and (d) substitute –
- 24 “(c) a person in accordance with whose directions or
25 instructions one or more of the directors of a body corporate
26 of which P is a subsidiary are accustomed to act unless the
27 director or directors are accustomed so to act by reason only
28 that they do so on advice given by that person in a
29 professional capacity;
- 30 (d) a person who either alone or with any associate or associates
31 is entitled to exercise or control the exercise of 15 per cent or
32 more of the voting power at any general meeting of P or of
33 another body corporate of which it is a subsidiary;
- 34 (e) a person who either alone or with any associate or associates
35 is able to exercise a significant influence over the
36 management of P or of another body corporate of which P
37 is a subsidiary by virtue of –
- 38 (i) a holding of shares in P; or
- 39 (ii) an entitlement to exercise, or control the exercise of,
40 the voting power of P; or

(f) a person who has the power to appoint directors to the board or other executive committees of P and to remove them;”;

(c) for the definition of “director” substitute —

““director” includes —

(a) any person occupying the position of director by whatever name called;

(b) any person in accordance with whose directions or instructions one or more of the appointed directors are accustomed to act unless the appointed director or directors are accustomed so to act by reason only that they do so on advice given by that person in a professional capacity;

(c) in relation to a limited liability company constituted under the *Limited Liability Companies Act 1996*, the company’s manager, if the management of the limited liability company has been conferred on a manager, or the company’s members, if the management has not been so conferred;

(d) in respect of any other body corporate such persons as occupy a position equivalent to that of director; and

(e) in relation to a foundation within the meaning of the *Foundations Act 2011*, a member of the council of the foundation;”.

40 Schedule 2 amended

In Schedule 2 (international schemes) —

(a) in paragraph 2 (full international schemes) —

(i) in subparagraph (1)(b), after “schemes” insert “ (but see subparagraph (1A))”;

(ii) after subparagraph (1) insert —

“(1A) Despite subparagraph (1)(b), once a scheme is established as a full international scheme under this paragraph a failure to comply with a provision of regulations relating to full international schemes does not of itself —

(a) affect the existence of the scheme as a full international scheme;

(b) exempt the scheme from a requirement to comply with such regulations; or

(c) prevent the Authority from enforcing such regulations with respect to the scheme.”;

(b) in paragraph 4 (other classes of international scheme) —

- 1 (i) in subparagraph (2)(b), after “class” insert “ (but see
2 subparagraph (2A))”;
- 3 (ii) after subparagraph (2) insert —
4 “(2A) Despite subparagraph (2)(b), once a scheme is established as an
5 international scheme under this paragraph a failure to comply with a provision
6 of regulations relating to such an international scheme does not of itself —
- 7 (a) affect the existence of the scheme as an international
8 scheme;
- 9 (b) exempt the scheme from a requirement to comply with such
10 regulations; or
- 11 (c) prevent the Authority from enforcing such regulations with
12 respect to the scheme.”.

13 PART 4 – AMENDMENTS TO INSURANCE ACT 2008

14 41 Insurance Act 2008 amended

- 15 (1) The Insurance Act 2008 is amended in accordance with this Part.
- 16 (2) Except as otherwise specified, a reference to a section in this Part is a
17 reference to the corresponding section in the Insurance Act 2008.

18 42 General amendment

19 For “sub-paragraph” wherever it appears substitute “subparagraph”.

20 43 Section 5 amended

21 In section 5 (authorised insurers) —

- 22 (a) after subsection (1), insert —
23 “(1A) Without prejudice to the generality of subsection (1), for the
24 purposes of this Act, a person is treated as carrying on insurance
25 business —
- 26 (a) in the Island if that person —
27 (i) carries on insurance business from a permanent
28 place of business maintained by that person in the
29 Island; or
30 (ii) engages in the Island in one or more of the activities
31 which constitute insurance business and doing so
32 constitutes the carrying on by that person of a
33 business in the Island;
- 34 (b) from the Island if that person is —
35 (i) a limited partnership registered in the Island under
36 Part II of the *Partnership Act 1909*;

- 1 (ii) a company incorporated outside the Island that is
 2 registered under the *Foreign Companies Act 2014*;
 3 (iii) a limited liability company formed under the *Limited*
 4 *Liability Companies Act 1996*;
 5 (iv) a company incorporated in the Island under the
 6 *Companies Acts 1931 to 2004*;
 7 (v) a company incorporated under the *Companies Act*
 8 *2006*; or
 9 (vi) a foundation established under the *Foundations Act*
 10 *2011*,
 11 and carries on insurance business outside the Island.

12 (1B) For the purposes of this Act, a person is treated as carrying on
 13 business in or from the Island or acting in the course of a business
 14 carried on in or from the Island (as the case may be) if that person
 15 is —

- 16 (a) a company incorporated in the Island; or
 17 (b) a company incorporated outside the Island which is
 18 registered under the *Foreign Companies Act 2014*; or
 19 (c) a limited partnership registered in the Island under Part II
 20 of the *Partnership Act 1909*,

21 and carries on, or acts in the course of a, business outside the
 22 Island.”;

23 (b) after subsection (2), insert —

24 “(3) Without prejudice to the generality of subsection (1), for the
 25 purposes of this Act a person is treated as holding itself out as
 26 carrying on, in or from the Island, insurance business if that person
 27 (whether inside or outside the Island) —

- 28 (a) by means of any words in the name, title, content or address
 29 of a web site or page; or
 30 (b) by means of any words in an email name or address or in
 31 the name, title or subject matter of an email; or
 32 (c) by means of any words in a domain name,

33 expressly or by implication indicates that that person, or another,
 34 carries on insurance business in, from or in connection with the
 35 Island, either on their own or another’s behalf or as an intermediary
 36 for another.”.

37 **44 Section 7 amended**

38 In section 7 (circumstances in which authorisation will not be granted) —

- 1 (a) number the text beginning with “The Authority shall not” as
2 subsection (1);
- 3 (b) in subsection (1)(a)(iii) (as renumbered) omit “in the case of an
4 applicant to carry on long-term insurance business,”;
- 5 (c) after subsection (1) (as re-numbered) insert —
- 6 “(2) In assessing whether an applicant is a fit and proper person under
7 subsection (1), the Authority will have regard to the information
8 before it, including as to —
- 9 (a) the integrity, competence, financial standing, structure and
10 organisation of the applicant;
- 11 (b) the integrity, competence and financial standing of —
- 12 (i) the controller, directors and any chief executive of
13 the applicant; and
- 14 (ii) in the case of an applicant to carry on long-term
15 insurance business, any actuary to the applicant
16 proposed in satisfaction of the requirements of
17 section 18;
- 18 (c) the description of the business the applicant proposes to
19 carry on; and
- 20 (d) any other persons employed or to be employed by the
21 applicant, or associated with the applicant for the purposes
22 of its business.
- 23 (3) The Authority may publish guidance setting out the criteria that it
24 will normally apply in assessing whether it is satisfied as required
25 by subsection (1).
- 26 (4) The guidance must be published in such form and in such manner
27 as the Authority may decide.
- 28 (5) Subsections (2) and (3) do not affect the generality of
29 subsection (1).”.

30 **45 Section 14 amended**

- 31 In section 14 (accounts) —
- 32 (a) in subsection (5), after “contained in” insert “this section or”;
- 33 (b) after subsection (5), insert —
- 34 “(6) Despite subsection (3), regulations may provide for —
- 35 (a) a different period after the date of the meeting at which the
36 accounts were approved by the board of directors within
37 which audited annual accounts must be produced to the
38 Authority;

- (b) a different period after the close of the year to which they relate within which such accounts must be produced to the Authority in any event,
for authorised insurers conducting such class or classes of insurance business as may be specified in the regulations.”.

46 Section 18 amended

In section 18 (actuary) —

- (a) for subsection (4) substitute —

“(4) If an insurer carrying on long-term business does not satisfy the Authority that the person is a fit and proper person to be appointed as actuary under subsection (1), the Authority may direct that such person must not, without the written consent of the Authority, be appointed as actuary.”;

- (b) omit subsection (13).

47 Section 21C amended

In section 21C (group supervisor), in subsection (4), for “does not involve liability to third parties” substitute “is of a type or category (including class or classes) of insurance business specified in regulations for that purpose”.

48 Section 21I amended

In section 21I (appointment of group actuary) —

- (a) for subsection (3) substitute —

“(3) If a designated insurer does not satisfy the Authority that a person is a fit and proper person to be appointed as actuary under subsection (1), the Authority may direct that such person must not, without the written consent of the Authority, be appointed as actuary.”;

- (b) omit subsection (11).

49 Section 23 amended

In section 23 (insurance managers), in subsection (1), for “in the course of a business carried on in or from the Island, act as or hold itself” substitute “by way of business carried on in or from the Island, act as or hold itself out”.

50 Section 24 amended

In section 24 (insurance intermediaries), for “in the course of a” substitute “by way of”.

1 **51 Section 25 amended**

2 In section 25 (registration under this Part) —

3 (a) after subsection (3) insert —

4 “(3A) In assessing whether an applicant is a fit and proper person under
5 subsection (3), the Authority will have regard to the information
6 before it, including as to —

7 (a) the integrity, competence, financial standing, structure and
8 organisation of the applicant; and

9 (b) the integrity, competence and financial standing of the
10 controller, directors and any chief executive of the applicant.

11 (3B) The Authority may publish guidance setting out the criteria that it
12 will normally apply in assessing whether it is satisfied as required
13 by subsection (3A).

14 (3C) The guidance must be published in such form and in such manner
15 as the Authority may decide.

16 (3D) Subsections (3A) and (3B) do not affect the generality of
17 subsection (3).”;

18 (b) in subsection (5) —

19 (i) after “any time” insert “(whether before or after
20 registration)”;

21 (ii) in paragraph (a), for “continued registration of a registered”
22 substitute “registration of an”.

23 **52 Section 27A amended**

24 In section 27A (accounts), after subsection (5), insert —

25 “(6) Despite subsection (3), regulations may provide for —

26 (a) a different period after the date of the meeting at which the
27 accounts were approved by the board of directors within
28 which audited annual accounts must be produced to the
29 Authority; or

30 (b) a different period after the close of the year to which they
31 relate within which such accounts must be produced to the
32 Authority in any event,

33 for such type or category of insurance manager or insurance
34 intermediary as may be specified in the regulations.”

35 **53 Section 28 amended**

36 In section 28 (persons to whom this Part applies), in subsection (1), after ““a
37 person to whom this Part applies”” insert “or “A””.

1 54 Section 29 amended

2 In section 29 (connected persons) —

3 (a) for subsections (1), (2) and (3) substitute —

4 “(1) A shall not appoint a person as director, company secretary, chief
5 executive, auditor, key person or manager of A unless not less than
6 28 days before the proposed appointment, or such other period as
7 the Authority may agree in writing, a written notice containing
8 such particulars as may be determined by the Authority, is served
9 on the Authority by A.

10 (1A) Despite subsection (1) —

11 (a) if an appointment mentioned in that subsection is to an
12 office or position which is notifiable only, A must notify the
13 Authority within such time following the date of the
14 appointment as is specified in guidance published by the
15 Authority;

16 (b) A may make an appointment mentioned in subsection (1)
17 before giving written notice to the Authority if the
18 appointment of a person is required due to exceptional
19 circumstances.

20 (1B) If A makes an appointment under subsection 1A(b), A must notify
21 the Authority of the appointment within 5 days of the appointment
22 and provide such other information about the appointment and the
23 exceptional circumstances that gave rise to the appointment as the
24 Authority may reasonably require.

25 (2) No person shall become controller of, or insurance manager of, A
26 unless not less than 28 days, or such other period as the Authority
27 may agree in writing, before becoming that controller or insurance
28 manager a written notice containing such particulars as may be
29 determined by the Authority is served on the Authority by A.

30 (2A) Despite subsection (2) —

31 (a) if a person becoming controller or insurance manager of A
32 is a matter that is notifiable only, A must notify the
33 Authority within such time following the date of the person
34 becoming controller or insurance manager of A as is
35 specified in guidance published by the Authority;

36 (b) a person may become controller or insurance manager of A
37 before the giving of written notice by A to the Authority if it
38 is necessary to become such a controller or insurance
39 manager due to exceptional circumstances.

40 (3) If a person becomes controller or insurance manager of A due to
41 exceptional circumstances, A must notify the Authority of that fact
42 within 5 days of the person becoming controller or insurance

- 1 manager, as the case may be, and provide such other information
 2 and the exceptional circumstances that gave rise to the controller or
 3 insurance manager taking up that role in relation to A as the
 4 Authority may reasonably require.
- 5 (3A) If A does not satisfy the Authority that a person is a fit and proper
 6 person –
- 7 (a) to be appointed to an office or position mentioned in
 8 subsection (1); or
- 9 (b) to become a controller or insurance manager,
 10 the Authority may, on reasonable grounds, direct that such person
 11 must not, without the written consent of the Authority, be
 12 appointed to such office or position, or become such a controller or
 13 insurance manager.
- 14 (3B) If it appears to the Authority that any –
- 15 (a) person appointed to an office or position mentioned in
 16 subsection (1); or
- 17 (b) controller or insurance manager,
 18 of A is not a fit and proper person to continue as such, the Authority
 19 may, on reasonable grounds, direct that such person must not,
 20 without the written consent of the Authority, continue in such an
 21 office or position or continue as such a controller or insurance
 22 manager.”.
- 23 (b) in subsection (6), for “(2) or (3)” substitute “(3A) or (3B)”;
- 24 (c) in subsection (7) for “(2)(a) or (3)(a)” substitute “(3A) or (3B)”;
- 25 (d) in subsection (8), for “a person to whom this Part applies”
 26 substitute “A”.
- 27 (e) for subsection (9) substitute –
- 28 “(9) In this section and section 29E –
- 29 “manager” means (except in relation to references to an insurance
 30 manager) a person working for or on behalf of the insurer
 31 concerned who –
- 32 (a) under the immediate authority of a director or its chief
 33 executive –
- 34 (i) exercises managerial functions; or
 35 (ii) is responsible for maintaining the accounts or other
 36 records of the insurer; or
- 37 (b) appears to the Authority to have significant powers or
 38 responsibilities with respect to any insurance business
 39 undertaken or intended to be undertaken by A.

(9A) In this section, “notifiable only” means an appointment to any of the offices or positions specified by the Authority as notifiable only in guidance published by the Authority.”.

55 Section 29A amended

In section 29A (prohibitions) —

- (a) in subsection (1), for “a person to whom this Part applies” substitute “A”;
- (b) in subsection (3), for “a particular person to whom this Part applies” substitute “A”;
- (c) in subsection (4), for “A person to whom this Part applies” substitute “A”;
- (d) in subsection (4), for “that person” substitute “A”.

56 Section 29E amended

In section 29E (warning notices) —

- (a) in subsection (1) —
 - (i) in paragraph (a), for “29(3)” substitute “29(3B)”;
 - (ii) for “principal control officer (“the notified person”) of a person to whom this Part applies” substitute “key person (“the notified person”) of A”;
- (b) in subsections (2), (3)(a), (3)(b), (3)(c), (4), (7)(a) and (7)(c) for “relevant” substitute “notified”;
- (c) for subsection (7)(b) substitute —
 - “ (b) a person who has received an employment application from a notified person who, if successful in the application, would be required to be —
 - (i) a director, key person or controller of a permitted person; or
 - (ii) an actuary to an insurer or a director, company secretary, chief executive, controller, manager or key person of A; or”;
- (e) for subsection (8) substitute —
 - “(8) In subsection (7) —
 - “**notified person**” means a person to whom a notice under subsection (1) has been given that is still effective in accordance with subsection (6);
 - “**officer**” means an officer of a company for the purposes of the *Company Officers (Disqualification) Act 2009* (see section 1(2) of that Act);

- 1 “controller”, “director”, “key person” and “permitted person” referred
 2 to in paragraph (b)(i) have the meanings given in the *Financial*
 3 *Services Act 2008*;
- 4 “actuary to an insurer”, “director”, “chief executive”, “controller”, “key
 5 person” and “manager” in paragraph (b)(ii), have the meanings
 6 given in the *Insurance Act 2008*; and
- 7 “employment application” in paragraph (b) includes any action which
 8 would result in the person, if successful, acting in a capacity
 9 mentioned in that paragraph.”

10 **57 Section 30 amended**

11 In section 30 (notice of cessation) —

- 12 (a) number the text beginning “Where a person” as subsection (1);
- 13 (b) in subsection (1) —
- 14 (i) for “principal control officer” substitute “key person”;
- 15 (ii) for “a person to whom this Part applies” substitute “A”;
- 16 (iii) in paragraph (a) for “the person to whom this Part applies”
 17 substitute “A”;
- 18 (c) after subsection (1), insert —
- 19 “(2) The requirement to give a notice to the Authority under subsection
 20 (1) does not apply where the cessation concerns the cessation of an
 21 actuary appointed under Section 18 or a group actuary appointed
 22 under Section 21I.”

23 **58 Section 34 amended**

24 In section 34 (publication of information and advice), in subsection (1), after
 25 “giving of advice” insert “or guidance (which does not constitute “Guidance
 26 Notes” for the purposes of section 51 (guidance notes))”.

27 **59 Section 37 substituted**

28 For section 37 (civil penalties) substitute —

29 **“37 Civil penalties**

- 30 (1) In this section —
- 31 (a) a contravention of this Act includes the contravention of any
 32 prohibition or requirement imposed under this Act and the
 33 furnishing to the Authority of false, inaccurate or
 34 misleading information;
- 35 (b) a “specified role-holder” means a controller, director, chief
 36 executive or key person of the relevant person;

- 1 (c) “a relevant person” means an authorised insurer, a holder
2 of a permit issued under section 22, an insurance manager
3 or an insurance intermediary; and
- 4 (d) references to a “relevant person” and to a “specified role-
5 holder” include a person who has ceased to be such a
6 person, if the contravention was committed or caused by,
7 consented to or connived in, or was attributable to that
8 person’s neglect, at a time when the person was such a
9 person.
- 10 (2) The Authority may impose on a relevant person a civil penalty if
11 the Authority is satisfied that the relevant person has contravened
12 or caused the contravention of any provision of this Act.
- 13 (3) The Authority may impose on a specified role-holder a civil
14 penalty, whether or not the Authority has imposed a civil penalty
15 on any other person, if the Authority is satisfied that —
- 16 (a) a relevant person has committed or caused the
17 contravention to a significant and material extent; and
- 18 (b) the contravention was committed or caused by or with the
19 consent or connivance of, or was attributable to neglect on
20 the part of, the specified role-holder.
- 21 (4) The Authority may impose a civil penalty on a person who has
22 acted in contravention of section 5(1), section 23(1) or section 24 or
23 caused a person to act in contravention of any of those provisions.
- 24 (5) Where the Authority decides to impose a civil penalty under this
25 section, it must give the person concerned written notice stating —
- 26 (a) the decision and the reasons for it;
- 27 (b) the amount of the civil penalty;
- 28 (c) the period within which it must be paid; and
- 29 (d) the person’s right of appeal against the decision.
- 30 (6) If the person does not appeal the decision of the Authority, the civil
31 penalty must be paid within such period as may be specified in
32 regulations under subsection (12).
- 33 (7) If the person appeals the decision of the Authority and, on the
34 determination of the appeal any amount of the civil penalty
35 remains payable, the civil penalty must be paid within 14 days of
36 the determination of the appeal.
- 37 (8) A person on whom the Authority has imposed a civil penalty under
38 this section commits an offence if the person fails to pay it before
39 the end of the period specified by the Authority in regulations.
- 40 (9) The Authority —

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- (a) may impose a civil penalty under this section for a contravention of this Act whether the contravention is an offence or not; but
- (b) if the contravention is an offence, a civil penalty imposed by the Authority must be an alternative to prosecution and have the effect, upon payment of it by a person, of conferring on that person, immunity from prosecution for the offence.
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10 (10) The Authority may not in respect of any contravention referred to in subsection (1), (2) or (3) —
- 11 (a) both require a person to pay a civil penalty under this section and withdraw that person's authorisation or permit under section 10, or cancel that person's registration under section 26; or
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15 (b) require a person to pay a civil penalty under this section if criminal proceedings have been commenced against that person in respect of the contravention.
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- 18 (11) Despite subsection (10), the Authority may withdraw the relevant person's authorisation under section 10, or cancel the relevant person's registration under section 26, if that person has failed to pay a civil penalty within the time limit imposed on the person for that civil penalty.
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- 23 (12) The Authority must make regulations about civil penalties, which may include (but are not limited to) provision for —
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25 (a) the maximum amount of civil penalty which the Authority may impose on a person under subsections (1), (2) or (3);
- 26
27 (b) the amount or method of calculation of the civil penalty it may impose in respect of a matter mentioned in subsections (1), (2) or (3);
- 28
29 (c) any contravention under this Act in respect of which the power of the Authority to require payment of a civil penalty applies;
- 30
31 (d) the matters to which the Authority must have regard when considering whether or not to impose a civil penalty;
- 32
33 (e) the processes the Authority must follow when exercising the power to impose a civil penalty;
- 34
35 (f) additional circumstances in which a civil penalty may be imposed in lieu of criminal proceedings under this Act; and
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37 (g) the exercise of discretion by the Authority as to —
- 38 (i) the amount of civil penalty that may be imposed;
- 39 (ii) the payment method; or
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(iii) the period within which the civil penalty must be paid.

Tynwald procedure – approval required

(13) Before making regulations under this section, the Authority must consult –

- (a) the Treasury;
- (b) such persons or bodies as appear to be representative of interests likely to be affected; and
- (c) such other persons or bodies as the Authority may determine.

(14) The Authority may not impose a civil penalty under this section in respect of a contravention that occurred before the commencement of section 60 of the *Financial Services (Miscellaneous Provisions) Act 2026*, except that if the contravention was continuing at the time of the commencement of that section, a civil penalty may be imposed in respect of such part of the contravention as continued after the commencement.

(15) The Authority must not impose a civil penalty on a person more than 6 years after the contravention came to the attention of the Authority.

(16) Any amount received as a civil penalty –

- (a) may be enforced as if it were a debt owed by the person on whom it was imposed to the Authority; and
- (b) shall be paid into and form part of the General Revenue of the Island.

(17) The Authority may publish information, in such form and manner as it considers appropriate, with respect to any civil penalties it has imposed.

(18) The Authority may publish guidance setting out the criteria that it will normally apply when exercising its powers under this section.

(19) The guidance under subsection (18) shall be laid before Tynwald and be published in such form and in such manner as the Authority may decide.

(20) Before publishing guidance under subsection (18), the Authority must consult such persons as it considers appropriate.”

60 Section 39B amended

In section 39B (appointment of business manager), for subsection (2)(b) substitute –

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“(b) is subject to the Tynwald procedure described in section 31 of the *Legislation Act 2015* (Tynwald procedure – affirmative).”.

4 **61 Section 45 amended**

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In section 45 (appeals to the Financial Service Tribunal) –

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(a) in the heading for “Service” substitute “Services”;

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(b) for subsection (3) substitute –

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“(3) A person aggrieved may appeal, in accordance with rules made under section 8 of the *Tribunals Act 2006*, to the Financial Services Tribunal against any decision of the Authority specified in column 1 of the table below which is made under the provision specified in column 2 of that table –

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Column 1	Column 2
The granting of an authorisation or permit subject to conditions	Section 8(a) (and section 22(2), in relation to a permit)
The refusal to grant an authorisation or permit	Section 8(b) (and section 22(2), in relation to a permit)
The making of an authorisation or permit subject to conditions, or further conditions	Section 9(a) (and section 22(2), in relation to a permit)
The variation or revocation of, or refusal to vary, any condition to which an authorisation or permit is subject	Section 9(b) (and section 22(2), in relation to a permit)
The withdrawal of an authorisation or permit with respect to effecting new contracts of insurance	Section 10(1) (and section 22(2), in relation to a permit)
The decision to impose a requirement on an insurer to secure that insurance business is discontinued and wound up in the event that the insurer proposes to surrender its authorisation or permit	Section 10A (and section 22(2), in relation to a permit)
The issue or variation of, or refusal to vary or revoke, a direction	Section 18(4) or (5)
The issue or variation of, or refusal to vary or revoke, a direction	Section 21I(3) or (4)
The making of a declaration	Section 23(3)

The refusal to register an applicant for registration	Section 25(4)
Making the registration of a registered insurance manager or registered insurance intermediary subject to conditions	Section 25(5)(a)
The variation or revocation of, or refusal to vary or revoke, a condition to which a registration is subject	Section 25(5)(b)
The cancellation of a registration or exemption or the making of a direction	Section 26(1)
A requirement by the Authority that the insurance manager or insurance intermediary take action	Section 26A
The issue or variation of, or refusal to vary or revoke, a direction	Section 29(2) or (3)
The imposition of a prohibition	Section 29A
The variation of, or refusal to vary, a prohibition	Section 29C
The refusal to revoke a prohibition	Section 29C
The giving of a warning notice, or the terms of such a notice	Section 29E
The issue of a direction to keep assets	Section 31
The decision to impose a requirement	Section 33
The imposition of a civil penalty	Section 37
The issue of a direction as to the provision of information	Schedule 5, paragraph 2(2)".

1 **62 Section 46A inserted**

2 After section 46 (restrictions on disclosure of information) insert —

3 **“46A Freedom of Information Act 2015**

4 Where the disclosure of information is prohibited by this Act, that
 5 information is absolutely exempt information for the purposes of
 6 section 27 of the *Freedom of Information Act 2015* (information the disclosure
 7 of which is restricted by law).”.

8 **63 Section 47 amended**

9 In section 47 (fees), for subsection (1A) and (2) substitute —

- 1 “(2) The Authority may by order prescribe in connection with the
2 discharge of any of its functions under this Act such amount as the
3 Authority considers is reasonable to cover the cost of discharging
4 the function (including a reasonable proportion of the Authority’s
5 administrative and overhead expenses).
- 6 (3) An order made under subsection (2) is subject the Tynwald
7 procedure described in section 31 of the *Legislation Act 2015*
8 (Tynwald procedure – affirmative).
- 9 (4) Before making an order under this section the Authority shall
10 consult with the Treasury and such other organisations and
11 persons as appear to it to be likely to be affected by the proposed
12 order.
- 13 (5) Any unpaid fee that is prescribed under this section may be sued
14 for by the Treasury as a civil debt due to the Treasury.”

15 **64 Section 48 amended**

16 In section 48 (registers), after subsection (1), insert –

- 17 “(1A) A former authorised insurer, permit holder, registered insurance
18 manager or registered insurance intermediary must remain on the
19 applicable register for 15 years after the person ceases to be an
20 authorised insurer, permit holder, registered insurance manager or
21 registered insurance intermediary.”

22 **65 Section 50 amended**

23 In section 50 (regulations) –

- 24 (a) in subsection (4) –
- 25 (i) after “under” insert “section 37(12) or”;
- 26 (ii) for “shall be laid” to the end, substitute “are subject to the
27 Tynwald procedure described in section 31 of the *Legislation*
28 *Act 2015* (Tynwald procedure – affirmative).”;
- 29 (b) in subsection (5) –
- 30 (i) after “under” insert “section 37(12) or”;
- 31 (ii) for “shall not” to the end, substitute “are subject to the
32 Tynwald procedure described in section 30 of the *Legislation*
33 *Act 2015* (Tynwald procedure – approval required).”.

34 **66 Section 50A inserted**

35 After section 50 (regulations) insert –

“50A Power of Authority to modify regulatory requirements

- (1) The Authority may, on the application or with the consent of an authorised insurer, registered insurance manager or registered insurance intermediary, direct that all or part of regulations or requirements specified in subsection (3) —
- (a) are not to apply to that person; or
 - (b) are to apply to that person with such modifications as may be specified in the direction.
- (2) The Authority may, on the application or with the consent of an authorised insurer, registered insurance manager or registered insurance intermediary, direct that the requirements to submit audited annual accounts under section 14(3) or section 27A(3) —
- (a) are not to apply to that person; or
 - (b) are to apply to that person with such modifications as may be specified in the direction.
- (3) The regulations and requirements specified for the purpose of subsection (1) are regulations made by the Authority under this Act or Guidance Notes issued by the Authority as binding guidance under section 51 concerning any of the following matters —
- (a) the activities in respect of which such persons who are so authorised, permitted or registered (as applicable);
 - (b) the conduct of business by such persons;
 - (c) the services and products provided by or on behalf of such persons;
 - (d) the relationship between such persons and their customers (including policyholders, where applicable);
 - (e) the corporate governance and risk management of such persons;
 - (f) the accounts, accounting records and capital requirements of such persons;
 - (g) the regulatory reporting by such persons; or
 - (h) the giving of full effect to the regulatory objectives and the functions of the Authority under this Act.”.

67 Section 51 amended

In section 51 (guidance notes), after subsection (1) —

- “(1A) The Authority may, on the application or with the consent of an authorised insurer, registered insurance manager or registered insurance intermediary, direct that the whole of any guidance with respect to the matters specified in subsection (1), or any part of such guidance —

- 1 (a) is not to apply to the insurer, insurance manager or
 2 insurance intermediary; or
 3 (b) is to apply to that person with such modifications as may be
 4 specified in the direction.”.

5 68 Section 53 amended

6 In section 53 (offences) —

- 7 (a) in subsection (1) —
 8 (i) in subparagraph (za) for “7(ba) substitute “(7(1)(ba)”;
 9 (ii) in subparagraph (a) for “8 or 9” substitute “8, 9 or 25”;
 10 (iii) omit subparagraphs (aa) and (ab) and (b);
 11 (b) in subsection (2)(e) —
 12 (i) before subparagraph (zi), insert —
 13 “(zai) a direction under section 21I(3) or (4), in
 14 contravention of section 21I(8) or 21(I)(9);”;
 15 (ii) omit subparagraphs (ii), (iia), (iv) and (v);
 16 (c) in subsections (5) and (6), for “principal control officer” substitute
 17 “key person”.

18 69 Section 54 amended

19 In section 54 (interpretation) —

- 20 (a) in subsection (1) —
 21 (i) for the definition of “associate” substitute —
 22 ““**associate**” means —
 23 (a) in relation to any individual —
 24 (i) the parent, spouse, civil partner, child, stepchild or
 25 sibling of the individual;
 26 (ii) any body corporate of which that individual is a
 27 director;
 28 (iii) a partner or employee of that individual;
 29 (b) in relation to a body corporate —
 30 (i) any director or employee of that body;
 31 (ii) any subsidiary of that body;
 32 (iii) any holding company of that body;
 33 (iv) any subsidiary of that holding company;
 34 (v) any director of any such holding company or
 35 subsidiary;

(c) in relation to an individual or a body corporate, any person with whom the individual or body corporate has an agreement, arrangement or other obligation —

(i) in respect of the acquisition, holding or disposal of shares or other interests in a body corporate; or

(ii) to act together in exercising voting power with respect to such a body corporate;”;

(ii) in the definition of “controller” —

(A) after “in relation to a person” insert “(“P”);

(B) in paragraphs (a) and (b) for “the person” substitute “P”;

(C) for paragraphs (c), (d), (e) and (f) substitute —

“(c) a person in accordance with whose directions or instructions one or more of the directors of a body corporate of which P is a subsidiary are accustomed to act unless the director or directors are accustomed so to act by reason only that they do so on advice given by that person in a professional capacity;

(d) a person who either alone or with any associate or associates is entitled to exercise or control the exercise of 15 per cent or more of the voting power at any general meeting of P or of another body corporate of which it is a subsidiary;

(e) a person who either alone or with any associate or associates is able to exercise a significant influence over the management of P or of another body corporate of which P is a subsidiary by virtue of —

(i) a holding of shares in P; or

(ii) an entitlement to exercise, or control the exercise of, the voting power of P; or

(f) a person who has the power to appoint directors to the board or other executive committees of P and to remove them;”;

(iii) for the definition of “director” substitute —

““director” includes —

(a) any person occupying the position of director by whatever name called;

(b) any person in accordance with whose directions or instructions one or more of the appointed directors are accustomed to act unless the appointed director or directors are accustomed so to act by reason only that they do so on advice given by that person in a professional capacity;

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- (c) in relation to a limited liability company constituted under the *Limited Liability Companies Act 1996*, the company’s manager, if the management of the limited liability company has been conferred on a manager, or the company’s members, if the management has not been so conferred;
 - (d) in respect of any other body corporate such persons as occupy a position equivalent to that of director; or
 - (e) in relation to a foundation within the meaning of the *Foundations Act 2011*, a member of the council of the foundation;”;
- (iv) after the definition of “insurer” insert —
- “**key person**” means an individual working for or on behalf of an insurer, insurance manager or insurance intermediary —
- (a) appearing to the Authority to have significant powers or responsibilities (including controlling the exercise of key functions) with respect to any activity undertaken or intended to be undertaken by an insurer, insurance manager or insurance intermediary, or an applicant to be an insurer, insurance manager or insurance intermediary; and
 - (b) specified by the Authority as being a key person;
- “**key function**” in respect of an insurer, insurance manager or insurance intermediary, a function in relation to —
- (a) risk management;
 - (b) internal audit;
 - (c) internal control;
 - (d) regulatory compliance;
 - (e) money laundering reporting; or
 - (f) the actuarial function in respect of an insurer, where it is required by the Authority to have an actuarial function;”;
- (v) omit the definition of “principal control officer”;
- (b) omit subsection (2);
- (c) at the end of section 54 insert —
- “(3) The Authority may by regulations amend the definition of “key function” to include other functions.
- (4) Regulations made under subsection (3) are subject to the Tynwald procedure described in section 30 of the *Legislation Act 2015* (Tynwald procedure – approval required).”.

1 70 Schedule 5 amended**2** In Schedule 5 (inspection and investigation) —**3** (a) for paragraph 1A (appointment of expert), substitute —**4** *“Appointment of expert***5** (1A) (1) The Authority may appoint an independent expert to investigate
6 the business of any person mentioned in subparagraph (a) to (i) and (k) to (l) of
7 paragraph 1(1) or of a scheme mentioned in subparagraph (j) of that paragraph
8 and to report to the Authority in such manner as the Authority may direct on that
9 person’s affairs or on that scheme.**10** (2) For the purposes of an investigation or supervisory assessment
11 under this paragraph, the Authority may authorise the independent expert to
12 exercise, on its behalf, such powers conferred by or under this Schedule and such
13 other supervisory functions of the Authority as the Authority may specify.**14** (3) The costs incurred by the Authority in appointing an independent
15 expert under this paragraph may be recovered in accordance with the Authority’s
16 general fee-charging powers or, if the costs are incurred in respect of an
17 investigation into the affairs of a particular business, the costs may be recovered
18 from that particular business.”;**19** (b) in paragraph 2 (requests for information) —**20** (i) in subparagraph (1), omit “specified in subparagraphs (a) to
21 (l) of paragraph 1(1) (“the requested person”);**22** (ii) in subparagraph (2), omit “requested”;**23** (c) in paragraph 3(1) (attendance before the Authority: justice’s
24 authorisation), omit “requested”;**25** (d) in paragraph 5 (paragraphs 1 to 4: supplementary), omit
26 subparagraph (1);**27** (e) in paragraph 6(1)(c) (use of powers for the benefit of other
28 authorities, etc), for “in relation to income tax” substitute “under
29 any enactment”;**30** (f) in paragraph 7(1)(b) (expenses of investigation), for “1 to 5”
31 substitute “1, 2, 3, 4 or 5”.**32 71 Schedule 6 amended****33** In Schedule 6 (restrictions on disclosure of information) —**34** (a) in paragraph 2 (exceptions from restrictions on disclosure) —**35** (i) in subparagraph (1)(h) for “to discharge its functions under
36 Schedule 4 to the *Financial Services Act*” substitute “to carry
37 out any of its functions”;**38** (ii) in subparagraph (1)(k), for “enactments relating to taxes”
39 substitute “any enactment”;

- 1 (iii) in subparagraph (1)(u) for “purposes of enabling the
2 Financial Services Tribunal to carry out its functions
3 (regardless of the enactment under which the function is
4 conferred” substitute “purpose of enabling or assisting the
5 Financial Services Tribunal to carry out any of its functions
6 under any enactment”;
- 7 (iv) for subparagraph (1)(v) substitute –
8 “(v) for the purpose of enabling or assisting the Department for
9 Enterprise under enactments relating to the regulation and
10 registration of companies, limited partnerships and other
11 similar bodies;”;
- 12 (v) in subparagraph (1)(y) for the full stop substitute a semi-
13 colon and after that subparagraph insert –
14 “(z) for the purpose of enabling or assisting the Cabinet
15 Office to carry out any of its functions under any
16 enactment;
17 (za) for the purpose of enabling or assisting the Financial
18 Intelligence Unit to carry out any of its functions
19 under any enactment;
20 (zb) for the purpose of enabling or assisting the
21 Communications and Utilities Regulatory Authority
22 to carry out any of its functions under the *Competition*
23 *Act 2021.*”;
- 24 (vi) for subparagraph (5), substitute –
25 “(4A) The Treasury may by order amend subparagraph (1) to add,
26 remove or amend an entry relating to a public or other authority in
27 the island.
28 (5) An order under subparagraph (4A) which adds an entry –
29 (a) must specify the functions of that public or other authority
30 in respect of which disclosure of information is not
31 precluded;
32 (b) may impose conditions subject to which the disclosure of
33 information is permitted by that subparagraph; and
34 (c) may otherwise restrict the circumstances in which that
35 subparagraph permits disclosure.”.

36 72 Schedule 7 amended

37 In Schedule 7 (matters in respect of which regulations may be made), in
38 paragraph 8A, omit “liability”.

**PART 5 – AMENDMENTS TO DESIGNATED BUSINESSES
(REGISTRATION AND OVERSIGHT) ACT 2015**

73 Designated Businesses (Registration and Oversight) Act 2015 amended

- (1) The Designated Businesses (*Registration and Oversight*) Act 2015 is amended in accordance with this Part.
- (2) Except as otherwise specified, a reference to a section in this Part is a reference to the corresponding section in the *Designated Businesses (Registration and Oversight) Act 2015*.

74 General amendment

For “sub-paragraph” wherever it appears substitute “subparagraph”.

75 Section 3 amended

In section 3 (interpretation), in subsection (1) —

- (a) for the definition of “associate” substitute —

(a) “**associate**” means —

(a) in relation to any individual —

- (i) the parent, spouse, civil partner, child, stepchild or sibling of the individual;
- (ii) any body corporate of which that individual is a director; or
- (iii) a partner or employee of that individual;

(b) in relation to a body corporate —

- (i) any director or employee of that body;
- (ii) any subsidiary of that body;
- (iii) any holding company of that body;
- (iv) any subsidiary of that holding company;
- (v) any director of any such holding company or subsidiary;

(c) in relation to an individual or a body corporate, any person with whom the individual or body corporate has an agreement, arrangement or other obligation —

- (i) in respect of the acquisition, holding or disposal of shares or other interests in a body corporate; or
- (ii) to act together in exercising voting power with respect to such a body corporate;”;

(b) in the definition of “controller” —

- (i) in paragraph (d), after “any associate” insert “or associates”;

- 1 (ii) after paragraph (d), insert —
- 2 “(e) a person who either alone or with any associate or associates
- 3 is able to exercise a significant influence over the
- 4 management of the registered person or of another body
- 5 corporate of which the registered person is a subsidiary by
- 6 virtue of —
- 7 (i) a holding of shares in; or
- 8 (ii) an entitlement to exercise, or control the exercise of,
- 9 the voting power of,
- 10 the registered person or other body corporate of which the
- 11 registered person is a subsidiary; or
- 12 (f) a person who has the power to appoint directors to the
- 13 board or other executive committees of the registered
- 14 person or other body corporate of which the registered
- 15 person is a subsidiary and to remove them;”;
- 16 (c) in the definition of “director”, in paragraph (c), for “a member, the
- 17 company’s manager and the registered agent” substitute “the
- 18 company’s manager, if the management of the limited liability
- 19 company has been conferred on a manager, or the company’s
- 20 members, if the management has not been so conferred”.

21 76 Section 5 amended

22 In section 5(a) (functions of authority), after “AML/CFT legislation” insert “, this

23 Act and with any code made under section 157 (money laundering codes) of the

24 *Proceeds of Crime Act 2008* or section 68 (codes relating to the financing of

25 proliferation and terrorism) of the *Terrorism and Other Crimes (Financial*

26 *Restrictions) Act 2014”.*

27 77 Section 6 amended

28 In section 6 (delegation of functions of Authority) —

- 29 (a) after subsection (2), insert —
- 30 “(2A) For the avoidance of doubt —
- 31 (a) the Authority is responsible for ensuring that it delegates a function
- 32 to such person that it considers is competent to exercise the
- 33 function; and
- 34 (b) where a function is delegated by the Authority, the Authority is
- 35 responsible for ensuring that any power or duty exercised in
- 36 pursuance of the delegated function is exercised appropriately by
- 37 the person to whom the function is delegated.”;
- 38 (b) after subsection (5) insert —

1 | “(6) Where functions are exercised by a person other than the
2 | Authority that person must –

- 3 | (a) exercise the function in accordance with the requirements of
4 | the Authority; and
5 | (b) disclose to the Authority such information as the authority
6 | may reasonably require about the manner in which the
7 | function is being exercised.”

8 | **78 Section 7 amended**

9 | In section 7 (prohibition on carrying on designated business if not registered), in
10 | subsection (3)(a), after “title” insert “, content”.

11 | **79 Section 9 amended**

12 | In section 9 (grant or refusal of registration), in subsection (3), after “if” insert “,
13 | on reasonable grounds,”.

14 | **80 Section 10A and 10B inserted**

15 | After section 10 (conditions of registration) insert –

16 | **“10A References to registration**

- 17 | (1) The Authority may specify in regulations the manner in which a
18 | registered person must or may refer to the registered person’s
19 | registration under this Act.
20 | (2) For the purposes of subsection (1), such a reference includes a
21 | reference to the registered person’s registration in advertisements
22 | and other marketing material, in its letterheads, on the registered
23 | person’s website, or otherwise making the fact of the registration
24 | known to the public.

25 | Tynwald procedure – approval required.

26 | **10B Suspension of registration**

- 27 | (1) The Authority may at any time suspend a registration granted
28 | under this Act instead of, or before, it exercises its power under
29 | section 11.
30 | (2) The Authority must give written notice to the person concerned of
31 | any decision to suspend a registration under this section together
32 | with a statement of the reasons for the decision.
33 | (3) Where the Authority suspends a registration under subsection (1),
34 | it must review the suspension on a regular basis.”

1 **81 Section 11 amended****2** In section 11 (revocation of registration) —**3** (a) in subsection (1)(f), for the full stop substitute a semi-colon;**4** (b) after subsection(1)(f) insert —**5** “(g) that the registered person has failed to pay a civil penalty
6 imposed under section 30.”;**7** (c) after subsection (4) insert —**8** “(5) For the purposes of subsection (1)(a), a person may not be a fit and
9 proper person if any of the matters described in section 9(4) applies
10 to that person.”.**11** **82 Section 13A inserted****12** After section 13 insert —**13** **“13A Other returns****14** (1) The authority may by order specify other returns that must be
15 made to the Authority by such registered persons as may be
16 specified.**17** (2) A registered person must submit to the Authority a return that it is
18 required to submit under subsection (1) —**19** (a) at such intervals as may be specified in the order; and**20** (b) accompanied by such information or declaration as may be
21 required by the Authority.”.**22** Tynwald procedure – approval required.**23** **83 Section 14 amended****24** In section 14 (on-site inspections and investigations) —**25** (a) in the heading, for “On-site inspections” substitute “Inspections”;**26** (b) after paragraph (1), insert —**27** “(1A) The Authority may carry out such inspections and investigations
28 as it considers appropriate without physical attendance at the
29 registered person’s premises.”.**30** **84 Section 18 amended****31** In section 18 (offences in connection with inspections and investigations, in
32 subsection (1)(a)(i), omit “on-site”.

1 85 Section 20 amended

2 In section 20 (offences in connection with supply of information), omit
3 subsection (1).

4 86 Section 22A inserted

5 After section 22 (restrictions on disclosure of information), insert —

6 “22A Freedom of Information Act 2015

7 | Where the disclosure of information is prohibited by this Act, that
8 | information is absolutely exempt information for the purposes of
9 | section 27 of the *Freedom of Information Act 2015* (information the disclosure
10 | of which is restricted by law).”.

11 87 Section 25 amended

12 In section 25 (report and action to be taken), in subsection (1), omit “on-site” in
13 both places where it occurs.

14 88 Section 26 amended

15 In section 26 (directions), in subsection (2)(a), after “such action” insert “, or to
16 refrain from taking such action,”.

17 89 Section 26A and 26B inserted

18 After section 26 insert —

19 “26A Directions: persons unfit to be specified persons

- 20 | (1) In this section a reference to a registered person includes a
21 | reference to an applicant for registration.
- 22 | (2) If a registered person does not satisfy the Authority that a person
23 | is a fit and proper person to be appointed as a specified person in
24 | relation to a registered person, the Authority may, on reasonable
25 | grounds, direct that such person must not, without the written
26 | consent of the Authority, be appointed as such specified person.
- 27 | (3) If it appears to the Authority that any specified person of a
28 | registered person, is not a fit and proper person to continue as such,
29 | the Authority may, on reasonable grounds, direct that such person
30 | must not, without the written consent of the Authority, continue as
31 | such a specified person.
- 32 | (4) For the purposes of subsection (2) and (3), a person may not be a fit
33 | and proper person if any of the matters described in section 9(4)
34 | applies to that person.

- 1 | (5) The Authority must give written notice to the person concerned
2 | and to the registered person of any decision to make a direction
3 | under this section together with a statement of the reasons for the
4 | decision.
- 5 | (6) Subject to subsection (7), where a notice has been given under
6 | subsection (5), the direction shall take effect —
- 7 | (a) if no appeal under section 33 is made within the period
8 | prescribed for the purposes of such an appeal, on the expiry
9 | of that period; or
- 10 | (b) if there is an appeal under section 33 —
- 11 | (i) where the appellant abandons the appeal, on the date
12 | of abandonment; or
- 13 | (ii) where the decision of the Authority is confirmed, on
14 | the date of confirmation; or
- 15 | (iii) where the decision of the Authority is varied, on such
16 | date as the Tribunal constituted under section 33
17 | directs.
- 18 | (7) If the Authority is of the opinion that a direction should have
19 | immediate effect, the notice under subsection (5) shall contain a
20 | statement to that effect together with the reasons for that opinion,
21 | and the direction shall have effect on the giving of the notice.
- 22 | (8) Any direction by the Authority under subsection (1) or (2) may
23 | be —
- 24 | (a) given subject to conditions;
- 25 | (b) varied from time to time; and
- 26 | (c) revoked at any time.
- 27 | (9) The Authority must give written notice to the person concerned of
28 | any decision to exercise the powers conferred by subsection (8)(a),
29 | (b) or (c).
- 30 | (10) No person shall accept or continue in any appointment as a
31 | specified person in contravention of a direction under subsection
32 | (2) or (3).
- 33 | (11) A registered person must not appoint a person in contravention of
34 | a direction under subsection (2) or (3).
- 35 | (12) It shall be the duty of a registered person to take reasonable care
36 | not to continue the appointment of a person in contravention of a
37 | direction under subsection (3).

38 | 26B Warning notices

- 39 | (1) The Authority may —

- 1 (a) before making a direction under section 26A; or
2 (b) in any other circumstances that the Authority considers it
3 appropriate to do so,

4 give a written warning notice under this section to a registered
5 person or a specified person.

- 6 (2) A warning notice under this section is a notice that the Authority
7 has grounds to believe that such activities or circumstances as are
8 specified in the notice are prejudicial to the notified person's fitness
9 and propriety and must be accompanied by a statement of the
10 reasons for the giving of the notice.

- 11 (3) A warning notice may (but need not) —

- 12 (a) propose that the notified person take such action as is
13 specified in the notice;
14 (b) request the notified person to propose action; or
15 (c) specify action that the notified person must take and the
16 time within which it must be taken.

- 17 (4) Where a warning notice has been given under this section, the
18 Authority must before making a direction under section 26A(2) or
19 (3) take into account any action taken by the notified person in
20 response to the warning notice.

- 21 (5) The giving of a warning notice under this section —

- 22 (a) does not limit the powers of the Authority under
23 section 26A; and
24 (b) is not required before the Authority may exercise those
25 powers.

- 26 (6) A warning notice issued under this section shall have effect —

- 27 (a) for a period of up to 3 years from the date on which it is
28 issued under subsection (1) and such period shall be
29 specified in the notice; or
30 (b) until such time as the Authority is content that any action
31 under subsection (4) has been completed to its satisfaction.

- 32 (7) The Authority may disclose the circumstances surrounding a
33 warning notice to —

- 34 (a) an employer who currently employs a notified person;
35 (b) a person who has received an employment or engagement
36 application from a notified person who, if successful in the
37 application, would be required to be a director, money
38 laundering reporting officer, compliance officer or
39 controller of a registered person; or
40 (c) a company of which a notified person is, or is likely to
41 become, an officer.”

- 1 (8) In subsection (7) —
- 2 “notified person” means a person to whom a notice under subsection (1)
- 3 has been given that is still effective in accordance with subsection
- 4 (7);
- 5 “officer” means an officer of a company for the purposes of the *Company*
- 6 *Officers (Disqualification) Act 2009* (see section 1(2) of that Act); and
- 7 “employment application” in paragraph (b), includes any action which
- 8 would result in the person, if successful, acting in a capacity
- 9 mentioned in that paragraph.”

10 **90 Section 27 amended**

11 In section 27 (public statements), in subsection (1)(a) and (1)(b)(iii), after “section

12 26” insert “or 26A”.

13 **91 Section 30 substituted**

14 For section 30 (civil penalties) substitute —

15 **“30 Civil penalties**

- 16 | (1) In this section —
- 17 | (a) a contravention of this Act includes the contravention of any
- 18 | prohibition or requirement imposed under this Act and the
- 19 | furnishing to the Authority of false, inaccurate or
- 20 | misleading information;
- 21 | (b) a “specified role-holder” means a director, controller,
- 22 | money laundering reporting officer or compliance officer of
- 23 | the registered person; and
- 24 | (c) references to a “registered person” and to a “specified role-
- 25 | holder” include a person who has ceased to be such a
- 26 | person, if the contravention was committed or caused by,
- 27 | consented to or connived in, or was attributable to that
- 28 | person’s neglect, at a time when the person was such a
- 29 | person.
- 30 | (2) The Authority may impose on a registered person a civil penalty if
- 31 | the Authority is satisfied that the person has contravened or caused
- 32 | the contravention of any provision of this Act.
- 33 | (3) The Authority may impose a civil penalty on a person who has
- 34 | acted in contravention of section 7 (prohibition on carrying on
- 35 | designated business if not registered) or caused a person to act in
- 36 | contravention of that section.

- 1 (4) The Authority may impose on a specified role-holder a civil
2 penalty, whether or not the Authority has imposed a civil penalty
3 on any other person, if the Authority is satisfied that —
- 4 (a) a registered person has committed or caused the
5 contravention to a significant and material extent; and
6 (b) the contravention was committed or caused by or with the
7 consent or connivance of, or was attributable, to the neglect
8 of the specified role-holder.
- 9 (5) Where the Authority decides to impose a civil penalty under this
10 section, it must give the person concerned written notice stating —
- 11 (a) the decision and the reasons for it;
12 (b) the amount of the civil penalty; and
13 (c) such other information as may be specified in regulations
14 made under subsection (12).
- 15 (6) If the person does not appeal the decision of the Authority, the civil
16 penalty must be paid in accordance with regulations under
17 subsection (12).
- 18 (7) If the person appeals the decision of the Authority and, on the
19 determination of the appeal any amount of the civil penalty
20 remains payable, the civil penalty must be paid within such period
21 as may be specified in regulations under subsection (12) following
22 the determination of the appeal.
- 23 (8) A person on whom the Authority has imposed a civil penalty under
24 this section commits an offence if the person fails to pay it before
25 the end of the period specified by the Authority in regulations
26 under subsection (12).
- 27 (9) The Authority —
- 28 (a) may impose a civil penalty under this section for a
29 contravention of this Act whether the contravention is an
30 offence or not; but
31 (b) if the contravention is an offence, a civil penalty imposed by
32 the Authority must be an alternative to prosecution and
33 have the effect, upon payment of it by a person of conferring
34 on that person, immunity from prosecution for the offence.
- 35 (10) The Authority may not in respect of any contravention referred to
36 in subsection (2), (3) or (4) —
- 37 (a) both require a person to pay a civil penalty under this
38 section and revoke that person's registration issued under
39 section 7 to carry on a regulated activity; or

- 1 (b) require a person to pay a civil penalty under this section if
2 criminal proceedings have been commenced under this Act
3 against that person in respect of the contravention.
- 4 (11) Despite subsection (10), the Authority may revoke a registration of
5 a person under section 9 if the person has failed to pay a civil
6 penalty within the period specified in the regulations made under
7 subsection (12).
- 8 (12) The Authority must make regulations about civil penalties, which
9 may include (but are not limited to) provision for —
- 10 (a) the maximum amount of civil penalty which the Authority
11 may impose on a person under subsections (2), (3) or (4);
12 (b) the amount or method of calculation of the civil penalty it
13 may impose in respect of a matter mentioned in subsections
14 (2), (3) or (4);
15 (c) any contravention under this Act in respect of which the
16 power of the Authority to require payment of a civil penalty
17 applies;
18 (d) the matters to which the Authority must have regard when
19 considering whether or not to impose a civil penalty;
20 (e) the processes the Authority must follow when exercising
21 the power to impose a civil penalty;
22 (f) additional circumstances in which a civil penalty may be
23 imposed in lieu of criminal proceedings under this Act; and
24 (g) the exercise of discretion by the Authority as to —
25 (i) the amount of civil penalty that may be imposed;
26 (ii) the payment method; or
27 (iii) the period within which the civil penalty must be
28 paid.
- 29 Tynwald procedure – approval required.
- 30 (13) Before making regulations under this section, the Authority must
31 consult —
- 32 (a) the Treasury;
33 (b) such persons or bodies as appear to be representative of
34 interests likely to be affected; and
35 (c) such other persons or bodies as the Authority may
36 determine.
- 37 (14) The Authority may not impose a civil penalty under this section in
38 respect of a contravention that occurred before the commencement
39 of section 11 of the *Financial Services (Miscellaneous Provisions) Act*
40 *2026*, except that if the contravention was continuing at the time of
41 the commencement of that section, a civil penalty may be imposed

in respect of such part of the contravention as continued after the commencement.

(15) The Authority must not impose a civil penalty on a person more than 6 years after the contravention came to the attention of the Authority.

(16) Any amount received as a civil penalty —

(a) may be enforced as if it were a debt owed by the person on whom it was imposed to the Authority; and

(b) shall be paid into and form part of the General Revenue of the Island.

(17) The Authority may publish information, in such form and manner as it considers appropriate, with respect to any civil penalties it has imposed.

(18) The Authority may publish guidance setting out the criteria that it will normally apply when exercising its powers under this section.

(19) The guidance under subsection (18) shall be laid before Tynwald and be published in such form and in such manner as the Authority may decide.

(20) Before publishing guidance under subsection (18), the Authority must consult such persons as it considers appropriate.”

92 Section 33 amended

In section 33 (appeals)

(a) after subsection (1)(b) insert —

“(ba) suspension of the person’s registration under section 10B(1) (suspension of registration);”;

(b) after subsection (1)(f) insert —

“(fa) issue of a direction to the person under section 26A(1) or (2);

(fb) giving of a warning notice or the terms of a warning notice given under section 26B”.

93 Section 34A inserted

After section 34 insert —

“34A Fees

The Authority may by order prescribe in connection with the discharge of any of its functions under this Act such amount as the Authority considers is reasonable to cover the costs of the Authority (including a reasonable proportion of the Authority’s administrative and overhead expenses).”

1 **94 Section 35 amended**

2 In section 35 (orders), for subsection (3) substitute —

3 “(3) An order under this Act (other than an order under section 2) is
4 subject to the Tynwald procedure described in section 31 of the
5 *Legislation Act 2015* (Tynwald procedure – affirmative).”

6 **95 Schedule 1 amended**

7 In Schedule 1 (designated businesses and exemptions), in Part 2 (persons exempt
8 from this Act), in paragraph 5(g), after “2001” insert “except the holder of a
9 software supplier licence or a token-based software supplier licence, within the
10 meaning given in the Online Gambling (Exclusions) Regulations 2010.”

11 **96 Schedule 2 amended**

12 In Schedule 2 (exceptions to prohibition on disclosure), in paragraph 1 (specific
13 exceptions) —

- 14 (a) for subparagraph (m) substitute —
15 “(m) for the purpose of enabling or assisting the Financial
16 Services Tribunal to carry out any of its functions under any
17 enactment;”
- 18 (b) in subparagraph (1)(o), for “enactments relating to income tax”
19 substitute “any enactment”;
- 20 (c) in subparagraph (1)(u), for “adjudicator to discharge their
21 functions under Schedule 4 (mediation and adjudication) to the
22 *Financial Services Act 2008* or for the purpose of enabling or assisting
23 any person exercising equivalent functions outside the Island”
24 substitute “ombudsman to discharge their functions under any
25 enactment”;
- 26 (d) omit paragraph (v);
- 27 (e) in subparagraph (1)(z), omit “or”;
- 28 (f) at the end of paragraph (1)(aa), for the full stop substitute a semi-
29 colon and after subparagraph (1)(aa), insert —
30 “(ab) for the purpose of enabling or assisting the Cabinet Office to
31 carry out any of its functions under any enactment;
32 (ac) for the purpose of enabling or assisting the Financial
33 Intelligence Unit to carry out any of its functions under any
34 enactment; or
35 (ad) for the purpose of enabling or assisting the Communications
36 and Utilities Regulatory Authority to carry out any of its
37 functions under the *Competition Act 2021*.”
- 38 (g) omit subparagraphs (2) and (3);
- 39 (h) after subparagraph (4), insert —

- 1 “(5) The Treasury may by order amend subparagraph (1) to add,
 2 remove or amend an entry relating to a public or other authority in
 3 the Island in respect of which paragraph (1) shall not preclude the
 4 disclosure of information.
- 5 (6) An order under subparagraph (5) which adds an entry —
- 6 (a) must specify the functions of that public or other authority
 7 in respect of which disclosure of information is not
 8 precluded;
- 9 (b) may impose conditions subject to which the disclosure of
 10 information is permitted by that subparagraph; and
- 11 (c) may otherwise restrict the circumstances in which that
 12 subparagraph permits disclosure.”

13 PART 6 – MISCELLANEOUS REPEALS AND AMENDMENTS

14 97 Companies Act 1931 amended

15 In the *Companies Act 1931* —

- 16 (a) in section 266 (disposal of books and papers of company), after
 17 subsection (1), insert —
- 18 “(1A) The court must not give a direction under subsection (1)(a)
 19 requiring the destruction of the books and papers of the company
 20 unless it has satisfied itself that the books and papers are not
 21 required by the Isle of Man Financial Services Authority to be
 22 retained.
- 23 (1B) If the court has been given notice by the Isle of Man Financial
 24 Services Authority (either in writing or at a court hearing) that the
 25 Authority requires the books or papers of the company to be
 26 retained, the court must direct that the books and papers are taken
 27 into the custody of the Isle of Man Financial Services Authority, to
 28 be retained and used for the purpose or purposes as may be
 29 required by that Authority.
- 30 (1C) Before giving a direction under subsection (1B), the company,
 31 Committee of Inspection or creditors of the company, as the case
 32 may, be must give the Authority at least 14 days’ notice of the date
 33 on which it is intended that a direction be made.
- 34 (1D) If the Authority gives notice before the date on which the direction
 35 is intended to be made that it requires the books or papers of the
 36 company to be retained, the company, Committee of Inspection or
 37 creditors of the company, as the case may be must not direct the
 38 destruction of the books or papers of the company until the expiry
 39 of the period of retention specified by the Authority in its
 40 direction.”;

- 1 (b) in subsection (3), after “contributory of the company” insert “, or of
2 the Isle of Man Financial Services Authority”

3 98 Retirement Benefits Schemes Act 2000 amended

4 In the *Retirement Benefits Schemes Act 2000*, for section 50 substitute —

5 “50 Civil penalties

- 6 (1) In this section —
- 7 (a) a contravention of this Act includes the contravention of any
8 prohibition or requirement imposed under this Act and the
9 furnishing to the Authority of false, inaccurate or
10 misleading information;
- 11 (b) each of the following is a “**relevant person**” —
- 12 (i) a trustee of a scheme;
- 13 (ii) an administrator of a scheme;
- 14 (iii) a professional adviser to a scheme; and
- 15 (iv) an employer of a member of a scheme;
- 16 (c) a “**specified role-holder**” means a controller or a director of
17 a trustee or administrator of a scheme; and;
- 18 (d) a “**relevant person**” and a “**specified role-holder**” include
19 a person who has ceased to be such a person, if the
20 contravention was committed or caused by, consented to or
21 connived in, or was attributable to that person’s neglect at a
22 time when the person was such a person.
- 23 (2) The Authority may impose on a relevant person a civil penalty if
24 the Authority is satisfied that the relevant person has contravened
25 or caused the contravention of any provision of this Act.
- 26 (3) The Authority may impose a civil penalty on a person who has
27 acted in contravention of section 1(1), (2) or (3) or caused a person
28 to act in contravention of any of those provisions.
- 29 (4) The Authority may impose on a specified role-holder a civil
30 penalty, whether or not the Authority has imposed a civil penalty
31 on any other person, if the Authority is satisfied that —
- 32 (a) a relevant person has committed or caused the
33 contravention to a significant and material extent; and
- 34 (b) the contravention was committed or caused by or with the
35 consent or connivance of, or was attributable to the neglect
36 of, the specified role-holder.
- 37 (5) Where the Authority decides to impose a civil penalty under this
38 section, it must give the person concerned written notice stating —

- 1 (a) the decision and the reasons for it;
- 2 (b) the amount of the civil penalty; and
- 3 (c) such other information as may be specified in regulations
- 4 made under subsection (12).
- 5 (6) If the person does not appeal the decision of the Authority, the civil
- 6 penalty must be paid in accordance with regulations under
- 7 subsection (12).
- 8 (7) If the person appeals the decision of the Authority and, on the
- 9 determination of the appeal any amount of the civil penalty
- 10 remains payable, the civil penalty must be paid within such period
- 11 as may be specified in regulations under subsection (12) following
- 12 the determination of the appeal.
- 13 (8) A person on whom the Authority has imposed a civil penalty under
- 14 this section commits an offence if the person fails to pay it before
- 15 the end of the period specified by the Authority in regulations
- 16 under subsection (12).
- 17 (9) The Authority —
- 18 (a) may impose a civil penalty under this section for a
- 19 contravention of this Act whether the contravention is an
- 20 offence or not; but
- 21 (b) if the contravention is an offence, a civil penalty imposed by
- 22 the Authority must be an alternative to prosecution and
- 23 have the effect, upon payment of it by a person of conferring
- 24 on that person, immunity from prosecution for the offence.
- 25 (10) The Authority may not in respect of any contravention referred to
- 26 in subsection (2), (3) or (4) —
- 27 (a) both require a person to pay a civil penalty under this
- 28 section and revoke that person's registration of a scheme
- 29 under section 4 or 22 of this Act; or
- 30 (b) require a person to pay a civil penalty under this section if
- 31 criminal proceedings have been commenced under this Act
- 32 against that person in respect of the contravention.
- 33 (11) Despite subsection (10), the Authority may revoke the registration
- 34 of a scheme under section 4 or 22 of this Act if the person has failed
- 35 to pay a civil penalty within the period specified in the regulations
- 36 made under subsection (12).
- 37 (12) The Authority must make regulations about civil penalties, which
- 38 may include (but are not limited to) provision for —
- 39 (a) the maximum amount of civil penalty which the Authority
- 40 may impose on a person under subsections (2), (3) or (4);

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- (b) the amount or method of calculation of the civil penalty it may impose in respect of a matter mentioned in subsections (2), (3) or (4);
 - (c) any contravention under this Act in respect of which the power of the Authority to require payment of a civil penalty applies;
 - (d) the matters to which the Authority must have regard when considering whether or not to impose a civil penalty;
 - (e) the processes the Authority must follow when exercising the power to impose a civil penalty;
 - (f) additional circumstances in which a civil penalty may be imposed in lieu of criminal proceedings under this Act; and
 - (g) the exercise of discretion by the Authority as to —
 - (i) the amount of civil penalty that may be imposed;
 - (ii) the payment method; or
 - (iii) the period within which the civil penalty must be paid.
- Tynwald procedure – approval required.
- (13) Before making regulations under this section, the Authority must consult —
 - (a) the Treasury;
 - (b) such persons or bodies as appear to be representative of interests likely to be affected; and
 - (c) such other persons or bodies as the Authority may determine.
 - (14) The Authority may not impose a civil penalty under this section in respect of a contravention that occurred before the commencement of section 11 of the *Financial Services (Miscellaneous Provisions) Act 2026*, except that if the contravention was continuing at the time of the commencement of that section, a civil penalty may be imposed in respect of such part of the contravention as continued after the commencement.
 - (15) The Authority must not impose a civil penalty on a person more than 6 years after the contravention came to the attention of the Authority.
 - (16) Any amount received as a civil penalty —
 - (a) may be enforced as if it were a debt owed by the person on whom it was imposed to the Authority; and
 - (b) shall be paid into and form part of the General Revenue of the Island.

- 1 (17) The Authority may publish information, in such form and manner
2 as it considers appropriate, with respect to any civil penalties it has
3 imposed.
- 4 (18) The Authority may publish guidance setting out the criteria that it
5 will normally apply when exercising its powers under this section.
- 6 (19) The guidance under subsection (18) shall be laid before Tynwald
7 and be published in such form and in such manner as the Authority
8 may decide.
- 9 (20) Before publishing guidance under subsection (18), the Authority
10 must consult such persons as it considers appropriate.”.

11 **99 Fiduciary Services Act 2005 repealed**

12 The *Fiduciary Services Act 2005* is repealed.

13 **100 Bank (Recovery and Resolution) Act 2020 amended**

14 In the *Bank (Recovery and Resolution) Act 2020*, in section 15 (limitation of
15 Authority’s liability), “This is subject to subsection (2).” and subsection (2) are
16 omitted.

IN THE KEYS

**FINANCIAL SERVICES (MISCELLANEOUS
PROVISIONS) BILL 2026**

A **BILL** to amend the Financial Service Act 2008, the Collective Investment Schemes Act 2008, the Insurance Act 2008, the Designated Businesses (Registration and Oversight) Act 2015, the Companies Act 1931, the Retirement Benefits Schemes Act 2000 and the Bank (Recovery and Resolution) Act 2020; to repeal the Fiduciary Services Act 2005; and for connected purposes.

Approved by the Council of Ministers
on 23 March 2026 for introduction in
the House of Keys.

MINISTER
CHRISTOPHER THOMAS
MHK

MARCH 2026

Published by Authority