Department of Home Affairs

Rheynn Cooishyn Sthie

ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

Lught-Reill Shirveishyn Argidoil Ellan Vannin

Feedback Statement

Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026

FS26-05

Issue Date: 26 August 2026

Contents

Glossary

Authority, FSA	Isle of Man Financial Services Authority
CFT	Countering the financing of terrorism
DHA	Department of Home Affairs
FT	Financing of terrorism
NPO	Non-Profit Organisation
POCA	Proceeds of Crime Act 2008
SNPO	Specified Non-Profit Organisation
SNPO Code 2026, the Code	Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026

1. Background

This Feedback Statement is issued by the Isle of Man Financial Services Authority (the "Authority") and the Department of Home Affairs ("DHA") following Consultation Paper CP26-01[1].

The purpose of the consultation was to obtain views on the proposed Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026 (the "SNPO Code 26").

The consultation period ran for a 6-week period, until 2 March 2026.

The Authority has contacted the recipients listed in Appendix A directly to provide a link to this Feedback Statement.

2. Summary of Responses

The Authority/DHA received 10 responses to the consultation.

Respondent Type	Responses
Existing SNPOs	2
NPOs which may have been brought into scope of the CFT legislation by virtue of the proposed new definition of 'SNPO'	3
Other	5

Q4. Do you have any comments on the proposed new definition of 'Specified Non-Profit Organisation' within Schedule 4 to the Proceeds of Crime Act 2008?

There were three positive responses to the proposed amendments to the definition of 'SNPO'. They noted that the definition was clearer, proportionate, and reasonable.

Conversely, 7 comments of a more critical nature were raised in respect of the proposed definition. Common feedback highlighted the lack of a de minimis value as a threshold requiring an organisation to undergo registration as an SNPO, especially in relation to the activity of raising funds.

Positive	3
Negative	7

Q5: Do you agree that the proposed requirements under the Code are reasonable, proportionate, and manageable?

Opinion was evenly split as to whether the proposed new Code requirements were reasonable, proportionate, and manageable.

Yes, I agree	5
No, I disagree	5

[1] https://consult.gov.im/financial-services-authority/specified-non-profit-organisations-code-2026/

Q6: Do you agree that the proposed requirements under the Code are reasonable, proportionate, and manageable? (Continued)

Those respondents who agreed that the proposed Code requirements were reasonable, proportionate, and manageable commended the Code's language as more accessible and understandable, highlighting that there was increased clarity in respect of an SNPO's responsibilities. There was a broad appreciation of the publication of guidance and templated documents for SNPO's to use, and respondents welcomed a more supportive approach anticipated to be taken by the Authority.

Those who voiced their disagreement with the proposed requirements requested further clarity about what activities the Code should and should not be applied to. Additionally, there was commonality in respondents' comments that it was too early to say whether the requirements are proportionate, noting that the Code could only be deemed workable once the accompanying guidance had been published.

Q7: Do you agree with the proposed revisions to the SNPO regime?

The majority of respondents agreed with the proposed revisions to the SNPO CFT framework.

Yes, I agree	6
No, I disagree	4

Q8: Do you agree with the proposed revisions to the SNPO regime? (Continued)

The respondents who agreed with the proposed revisions highlighted that the proposed Code was:

- more accessible;
- less onerous;
- more focussed;
- proportionate;
- necessary; and
- designed to protect our charities and our Island.

One respondent agreed with the proposal to align processes with the level of risk but queried whether NPOs would have the necessary resource to apply these controls in practice.

Where respondents disagreed with the proposals, the key driver was the proposed definition of 'SNPO', specifically the lack of a de minimis threshold for raising funds.

Q9: Do you agree that this new SNPO regime will help you, as an organisation, to be more aware of, and undertake, counter terrorist financing measures?

Respondents were evenly split in their opinion as to whether the proposed new regime would help the SNPO to be aware of and undertake CFT measures.

Yes, I agree	5

No, I disagree	5

Q10: Do you agree that this new SNPO regime will help you, as an organisation, to be more aware of, and undertake, counter terrorist financing measures?

The five respondents who agreed with the previous question welcomed the training, support and guidance that was proposed, especially where CFT understanding amongst volunteers may be lower. Some respondents expressed the assurance that their organisations were already equipped with sufficient procedural controls to manage the risk of FT.

A respondent queried whether the support that SNPOs would require to enact sufficient CFT measures would require a significant and disproportionate use of government resources.

Q11: Do you have any comments as to what guidance or training materials may be required?

A range of comments were received in respect of what guidance or training materials may be required to support SNPOs.

Amongst the points highlighted by the respondents were:
- A need for guidance around when 'Enhanced measures' may be needed.
- An expectation that the guidance would reflect or incorporate the 'Best Practices' guidance issued by the Financial Action Task Force.
- A request that guidance be shared with relevant stakeholders prior to publication.
- A belief that guidance and training would be critical in assisting smaller SNPOs and volunteers.
- Guidance would need to be supplemented by 'hands on' support from the Authority.
- Any guidance would need to be simple and understandable.
- Guidance would need to be supported by continued public outreach.
- Webinars may be a useful format for delivering training.

Q12: Do you have any comments on any other aspect of the Draft Code not covered in your earlier responses, e.g. drafting clarity, transitional arrangements, or impact?

A variety of additional comments were made by the respondents, including:
- A proposal to introduce a new form of corporate vehicle for charitable organisations.
- A request for further clarity as to which volunteers of an SNPO would be required to undergo CFT training.
- A suggestion to consider the interaction of SNPO requirements with the requirements of the Charities Act.
- An appeal to revise the proposed definition of 'SNPO' in respect of the activity of raising funds.

Q13: Do you have any other comments in response to this consultation?

The majority of miscellaneous comments were positive and appreciative of the steps being taken to review and improve the SNPO framework, and included the following:

- “Thank you for taking a proactive approach to supporting SNPOs operating from the IOM.”
- “The drop-in session at the Promenade Church worked well, as it enabled individual charities to talk to members of the FSA team about how the new Code might work with their specific charity. This was very helpful as it enabled a wide range of issues to be dealt with quickly. […] This shows an exceptional level of commitment to the consultation process by listening to as much feedback as possible. This is much appreciated.”

3. Changes to the Proposals

Following completion of the consultation, the Authority has reviewed the feedback and made changes to the SNPO Code 2026 to enhance the clarity of the text and the understanding of relevant person’s obligations and responsibilities, including clarification of what activity is within the scope of the Code.

The most prominent feedback received on the proposals related to the definition of ‘Specified Non-Profit Organisations’, which was intended to be updated in Schedule 4 to the Proceeds of Crime Act 2008 (“POCA”). After careful consideration, it is not intended to move forward with an amendment to the definition of ‘SNPO’ at this time. It may be revisited for amendments at a later date, however at this point in time the current definition in Schedule 4 to the POCA will remain, unaltered.

It should be noted that the existing definition is featured in the FATF Paper – Best Practices on Combating the Abuse of Non-Profit Organisations as an example of a risk-based approach to NPOs (page 58).

In light of the definition of ‘SNPO’ remaining unaltered, the key change to the Code following consultation has been a revision to the definition of ‘specified activity’. ‘Specified activity’ is now defined in paragraph 5 of the Code (Meaning of specified activity), rather than in the interpretation section.

Proposed definition of ‘specified activity’ during consultation:	“**specified activity**” means — (a) raising funds from outside the Isle of Man, Bailiwick of Jersey, Bailiwick of Guernsey, United Kingdom and the Republic of Ireland; and (b) disbursing funds to one or more ultimate recipients outside the Isle of Man, Bailiwick of Jersey, Bailiwick of Guernsey, United Kingdom and the Republic of Ireland;

	within the meaning of **"SNPO"** provided in Schedule 4 of the Proceeds of Crime Act 2008;
Definition of 'specified activity' following consultation:	In this Code "**specified activity**" means — (a) disbursing funds, including through the use of intermediaries, to one or more specified relations in or from a higher risk jurisdiction; or (b) disbursing funds to a recipient in a jurisdiction other than a higher risk jurisdiction for onward remittance where — (i) the funds will ultimately benefit a specified relation in a higher risk jurisdiction; and (ii) the decision as to where to further remit the funds is made in the Island.

There have been further minor amendments to definitions throughout, and wording and other cosmetic adjustments to improve clarity, including in respect of who is required to undertake CFT training.

The concept of a 'significant donor' has also been removed from the SNPO Code 26.

4. Next Steps

The SNPO Code 26 will be made and will come into operation on 1 September 2026.

The Authority will contact those affected by the legislation to advise of the amended requirements.

Guidance will be published by the Authority in due course.

5. Questions

In case of any query on this Feedback Statement please contact —

Dylan Pycroft
Manager – AML/CFT Supervision Division
Isle of Man Financial Services Authority
PO Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 1DT
Email: snpo@iomfsa.im
Telephone: +44 1624 646000

If you have a query in relation to how the related consultation was carried out, please contact the Authority by email at snpo@iomfsa.im or by telephone on +44 1624 646000.

Appendix A – List of Specific Recipients

- Existing SNPOs;
- Representatives from the Isle of Man's NPO sector; and
- Attorney General as Registrar and regulator of charities.

Appendix B – Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026

- **Final Version** – Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026
- **Consultation Version** – Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026