



SPECIFIED NON-PROFIT ORGANISATIONS (COUNTERING THE FINANCING OF TERRORISM) CODE 2026

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Effective from 1 September 2026, and subject to completion of the Tynwald negative procedure in November 2026.



Statutory Document No. 2026/0146



Proceeds of Crime Act 2008, Terrorism and Other Crime (Financial Restrictions) Act 2014

SPECIFIED NON-PROFIT ORGANISATIONS (COUNTERING THE FINANCING OF TERRORISM) CODE 2026

Laid before Tynwald:

Coming into Operation:

1 September 2026

The Department of Home Affairs makes the following Code under section 157 of the Proceeds of Crime Act 2008 and section 68 of the Terrorism and Other Crime (Financial Restrictions) Act 2014, after carrying out the consultation required by those sections.¹

PART 1 – INTRODUCTORY

1 Title

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

2 Commencement

This Code comes into operation on 1 September 2026.²

3 Application

This Code applies to specified non-profit organisations that carry on specified activity, as defined in paragraph 5.

¹ Section 157(4) of the Proceeds of Crime Act 2008 and section 68(4) of the Terrorism and Other Crime (Financial Restrictions) Act 2014 require that the Department of Home Affairs consults any person or body that appears to it to be appropriate, before making a code under those sections.

² Section 223(5) of the Proceeds of Crime Act 2008 and section 68(1) of the Terrorism and Other Crime (Financial Restrictions) Act 2014 require a Code made under section 157 of the Proceeds of Crime Act 2008 or section 68 of the Terrorism and Other Crime (Financial Restrictions) Act 2014 to be laid before Tynwald as soon as practicable after it is made.

4 Interpretation

(1) In this Code —

“**AML/CFT**” means anti-money laundering and countering the financing of terrorism;

“**associate NPO**” means an NPO with which the SNPO has partnered, collaborates or works with jointly in carrying out its specified activity, and includes foreign branches of international NPOs with which the SNPO has partnered, collaborates or works with jointly, and intermediaries;

“**beneficiary**” —

- (a) means the persons, or groups of persons, who will ultimately receive charitable, religious, cultural, educational, political, social, fraternal or philanthropic assistance from the specified activity, either directly or indirectly, and additionally includes the ultimate recipient of the funds disbursed in the course of the specified activity; and
- (b) may include a class of beneficiaries receiving the benefit jointly;

“**beneficial owner**” means a natural person who ultimately owns or controls a company, legal person or legal arrangement, or other body corporate, or on whose behalf a transaction or activity is being conducted and includes —

- (a) in the case of a legal person other than a company whose securities are listed on a recognised stock exchange, a natural person who ultimately owns or controls (whether through direct or indirect ownership or control, including through bearer share holdings) 25% or more of the shares or voting rights in the legal person;
- (b) in the case of a legal person, a natural person who otherwise exercises ultimate effective control or significant influence over the management of the legal person;
- (c) in the case of a legal arrangement, the trustee or other person who exercises ultimate effective control or significant influence over the legal arrangement; and
- (d) in the case of a foundation, a natural person who otherwise exercises ultimate effective control or significant influence over the foundation;

“**CFT**” means countering the financing of terrorism;

“**CFT legislation**” means the requirements of —

- (a) sections 7 to 11 and 14 of the Anti-Terrorism and Crime Act 2003;
- (b) Part 3 of the Proceeds of Crime Act 2008;

- (c) Parts 2 to 4 of the Terrorism and Other Crime (Financial Restrictions) Act 2014;
- (d) financial sanctions which have effect in the Island; and
- (e) this Code;

“competent authority” means all Isle of Man administrative and law enforcement authorities concerned with AML/CFT including the Isle of Man Financial Services Authority, the Isle of Man Gambling Supervision Commission, the Department of Home Affairs, the Isle of Man Constabulary, the Financial Intelligence Unit, the Attorney General, and the Customs and Immigration and Income Tax Divisions of the Treasury;

“director” includes any person occupying the position of director by whatever name called;

“diversion” means a transaction by an SNPO, or an external party such as an associate NPO, that diverts funds away from the SNPO’s legitimately intended purposes to a terrorist, terrorist financier or terrorist organisation for their direct or indirect benefit;

“diversion risk” means a risk of a diversion of funds;

“employee” or **“worker”** of an SNPO have the same meanings as in section 173 of the Employment Act 2006 and additionally include an individual who —

- (a) works under a contract of employment or any other contract of service for an SNPO;
- (b) practises alone or with others under the terms of a partnership agreement for an SNPO;
- (c) is otherwise engaged with the business of an SNPO, in all cases where the individual undertakes to do or perform, directly or indirectly, any work or service for an SNPO, whether or not engaged directly by the SNPO or through another entity forming part of the group of entities of which an SNPO is a part, and an SNPO is not by virtue of the contract a customer of the individual;
- (d) is a director, officer or trustee of an SNPO; or
- (e) is a volunteer for an SNPO, who occupies a material position of control within the organisation, and

where this Code refers to **“appropriate employees and workers”**, it is at the discretion of the SNPO’s officers to determine who is appropriate to be included, having considered their role and function within the organisation;

“enhanced measures” means the steps specified in paragraph 9 (enhanced measures) which are additional to the measures specified in paragraphs 8 (understanding specified relationships) and 10 (ongoing monitoring) for the purpose of understanding the specified relationship, including

identifying and verifying the identity, credentials and good standing of beneficiaries and, associate NPOs, including any beneficial owners of and other persons in relation to, the aforementioned;

“external disclosure” means a disclosure made under paragraph 12 (external disclosures);

“FATF recommendations” means the Recommendations made by the Financial Action Taskforce (**“FATF”**) which are recognised as the international standards in relation to AML/CFT;

“FT” or **“financing of terrorism”** is to be construed in accordance with the definitions of **“financing”**, **“terrorism”** and **“proliferation”** in section 3 of the Terrorism and Other Crime (Financial Restrictions) Act 2014; and

- (i) the financing of proliferation; and
- (ii) the attempted financing of terrorism or proliferation;

“foundation” means a foundation established under the Foundations Act 2011 or a foundation or similar entity established under the law of another jurisdiction;

“good works” means charitable acts, and may be taken as synonymous with the description of **“purposes”** contained within section 6 of the Charities Registration and Regulation Act 2019;

“group” in relation to a body corporate (**“B”**), means —

- (a) B;
 - (b) any other body corporate that is B’s holding company (**“H”**) or B’s subsidiary; and
 - (c) any other body corporate that is a subsidiary of H,
- and **“subsidiary”** and **“holding company”** shall be construed in accordance with section 1 of the Companies Act 1974 or section 220 of the Companies Act 2006 (as applicable);

“legal arrangement” includes —

- (a) an express trust; or
- (b) any other arrangement that has a similar legal effect (including a *Fiducie*, *Treuhand*, *Fideicomiso* or *Waqf*); and
- (c) includes a person acting for, or on behalf of, a legal arrangement referred to in paragraph (a) or (b) such as a trustee;

“legal person” includes any entities other than natural persons that can establish a permanent customer relationship with a financial institution or otherwise own property. This can include companies, bodies corporate, foundations, anstalt, partnerships, or associations and other similar entities;

“**List A**” is a list maintained by the Department of Home Affairs on its website specifying jurisdictions regarding which the FATF (or a FATF-style regional body) has made a call on its members and other jurisdictions to apply countermeasures to protect the international finance system from the ongoing and substantial risks of ML/FT emanating from the jurisdiction;

“**List B**” is a list maintained by the Department of Home Affairs on its website specifying jurisdictions with strategic AML/CFT deficiencies and those that may be considered to pose a higher risk of ML/FT;

“**ML/FT**” means money laundering or financing of terrorism or both, and includes attempted money laundering or financing of terrorism or both;

“**National Risk Assessment**” is a jurisdiction’s evaluation of its ML/FT risks which aims to ensure that actions are co-ordinated domestically to combat ML/FT and proliferation, as required under the FATF Recommendations;

“**non-profit organisation**” or “**NPO**” means a legal person or legal arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “**good works**”;

“**officer**” includes —

- (a) a director or secretary;
- (b) in relation to a limited liability company to which the Limited Liability Companies Act 1996 applies, a member, manager or registered agent of such a company;
- (c) in relation to a company to which the Companies Act 2006 applies, a member, manager or registered agent of such a company;
- (d) in relation to a limited partnership with legal personality to which sections 48B to 48D of the Partnership Act 1909 apply —
 - (i) if a general partner is a natural person, that person;
 - (ii) if a general partner is a body corporate, the directors and officers of that body corporate;
 - (iii) if a general partner is a foundation, the council members (or equivalent) of that foundation;
- (e) in relation to a foundation, a member of the council (or equivalent) of the foundation;
- (f) in relation to a legal arrangement, a trustee;
- (g) any person in accordance with whose directions or instructions any of the officers are accustomed to act unless the officer is

- accustomed so to act by reason only that they do so on advice given by that person in a professional capacity;
- (h) in respect of any other legal person or legal arrangement such persons as occupy a position equivalent to that of a director;
 - (i) a liquidator;
 - (j) a receiver;
 - (k) a person holding an office under any relevant foreign law analogous to any of the offices specified in paragraphs (a) to (j), in respect of a legal person or legal arrangement; and
 - (l) a person who in any way, whether directly or indirectly, is concerned or takes part in the promotion, formation or management of a legal person or legal arrangement;

“PEP” or “politically exposed person” means any of the following —

- (a) a natural person who is or has been entrusted with prominent public functions (“**P**”) including —
 - (i) a head of state, head of government, minister or deputy or assistant minister;
 - (ii) a senior government official;
 - (iii) a member of parliament;
 - (iv) a senior politician;
 - (v) an important political party official;
 - (vi) a senior judicial official;
 - (vii) a member of a court of auditors or the board of a central bank;
 - (viii) an ambassador, *chargé d'affaires* or other high-ranking officer in a diplomatic service;
 - (ix) a high-ranking officer in an armed force;
 - (x) a senior member of an administrative, management or supervisory body of a state-owned enterprise; or
 - (xi) a senior member of manager of, or member of, the governing body of an international entity or organisation;
- (b) any of the following family members of P—
 - (i) a spouse;
 - (ii) a partner considered by national law as equivalent to a spouse;
 - (iii) a child;
 - (iv) the spouse or a partner of a child;

- (v) a brother or sister (including a half-brother or half-sister);
- (vi) a spouse or partner of a brother or sister;
- (vii) a parent;
- (viii) a parent-in-law;
- (ix) a grandparent; or
- (x) a grandchild;
- (c) any natural person known to be a close associate of P, including —
 - (i) a joint beneficial owner of a legal person or legal arrangement, or any other close business relationship, with P;
 - (ii) the sole beneficial owner of a legal person or legal arrangement known to have been setup for the benefit of P;
 - (iii) a beneficiary of a legal arrangement of which P is the beneficial owner or beneficiary; or
 - (iv) a person in a position to conduct substantial financial transactions on behalf of P;

“sanctions list” means the list of persons who are subject to international sanctions which apply in the Island and which is maintained by the Customs and Immigration Division of the Treasury;

“senior management” means the directors and officers or any other persons who are nominated to ensure that the SNPO is effectively controlled on a day-to-day basis and who have responsibility for overseeing the SNPO’s proper conduct;

“source of funds” means the origin of the particular funds or other assets donated to an SNPO and includes the activity that generated the funds and the means through which the funds were transferred;

“SNPO” or **“specified non-profit organisation”** has the meaning given in Schedule 4 of the Proceeds of Crime Act 2008;

“specified activity” has the meaning given in paragraph 5;

“specified activity risk assessment” has the meaning given in paragraph 7 (specified activity risk assessment);

“specified relation” of an SNPO means—

- (a) a beneficiary or associate NPO that is party to a beneficiary relationship or associate NPO relationship with that SNPO, as the case may be; and
- (b) where such a person is a legal person or legal arrangement, includes all beneficial owners of such a person;

“specified relationship” means an arrangement between an SNPO and a beneficiary or associate NPO in order for an SNPO to carry out its objectives, and includes one-off transactions or interactions (for example a one-off donation); and **“beneficiary relationship”** and **“associate NPO relationship”** are to be construed accordingly;

“suspicious activity” means any activity, including the receipt of information, which in the course of a specified relationship causes the SNPO to —

- (a) know or suspect; or
- (b) have reasonable grounds for knowing or suspecting, that the activity is FT or that the information is related to FT;

“terrorist” means a person engaged in an act that falls within the definition of **“terrorism”** within section 1(1) of the Anti-Terrorism and Crime Act 2003;

“terrorist financier” means an individual, entity or network that carries out activity that falls within the definition of **“financing”** for the purpose of terrorism in section 3 of the Terrorism and Other Crime (Financial Restrictions) Act 2014 and includes: the use of funds, or the making available of funds, for the purpose of terrorism and the acquisition, possession, concealment, conversion or transfer of funds that are (directly or indirectly) to be used or made available for those purposes;

“terrorist organisation” has the meaning given in section 1(8) of the Anti-Terrorism and Crime Act 2003;

“transaction” includes an attempted transaction;

“unusual activity” means any activity, including the receipt of information, during the course of a specified relationship, where —

- (a) the transaction has no apparent economic or lawful purpose, including, for example, a transaction which is —
 - (i) complex;
 - (ii) both large and unusual; or
 - (iii) of an unusual pattern;
- (b) the SNPO becomes aware of anything that causes the SNPO to doubt the identity, credentials, or good standing of a person that it is obliged to identify; or
- (c) the SNPO becomes aware of anything that causes the SNPO to doubt the good faith of a beneficiary, associate NPO, beneficial owner or beneficiary of a legal arrangement or SNPO.

5 Meaning of specified activity

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.

PART 2 – GENERAL REQUIREMENTS

6 Procedures and controls

- (1) An SNPO must —
 - (a) establish, record, maintain and operate procedures and controls in relation to its specified activity —
 - (i) in order to comply with each paragraph within Parts 3 to 7;
 - (ii) in order to ensure as far as reasonably practicable that the SNPO and its specified relations are not assisting, or being used to assist, terrorist or terrorist financing activities;
 - (iii) in relation to taking reasonable measures to determine whether the SNPO's specified relations are included on the sanctions list; and
 - (iv) in relation to internal controls and communication matters that are appropriate for the purposes of forestalling and preventing FT; and
 - (b) take appropriate measures for the purpose of making its appropriate employees and workers aware of —
 - (i) the CFT legislation; and
 - (ii) the procedures and controls established, recorded, operated and maintained under subparagraph (1)(a).
- (2) The procedures and controls referred to in subparagraph (1) must —
 - (a) have regard to the materiality and risk of FT, including whether a specified relationship poses a higher risk of FT or otherwise contributes to a material increase to the FT risk of the specified activity;
 - (b) enable the SNPO to manage and mitigate the risks of FT that have been identified by the SNPO when carrying out the requirements of this Code; and

- (c) be approved by the senior management of the SNPO.
- (3) The ultimate responsibility for ensuring compliance with this Code is that of the SNPO, regardless of any outsourcing or reliance on third parties.

PART 3 – RISK-BASED APPROACH

7 Specified activity risk assessment

- (1) An SNPO must carry out an assessment that estimates the risk of FT posed by its specified activity, including the risk of FT posed by an SNPO's specified relationships ("**specified activity risk assessment**").
- (2) The specified activity risk assessment must be —
 - (a) undertaken as soon as reasonably practicable after the SNPO either commences specified activity or registers as an SNPO, whichever is earlier;
 - (b) recorded in order to demonstrate its basis; and
 - (c) regularly reviewed (details of any review must be recorded) and, if appropriate, amended so as to keep the assessment up-to-date.
- (3) The specified activity risk assessment must have regard to all relevant risk factors including —
 - (a) the nature, scale and complexity of the specified activity;
 - (b) the manner in which the SNPO undertakes the specified activity;
 - (c) any relevant findings of the most recent National Risk Assessment relating to the Island;
 - (d) the jurisdictions in which the SNPO carries out its specified activity, operates, raises funds or otherwise has exposure to FT risk in the delivery of its objectives;
 - (e) the SNPO's understanding of its specified relationships, focussing on any factors which may increase the risk profile of its specified activity, including —
 - (i) the jurisdictions in which specified relations are resident, located, operate, or otherwise have exposure to FT risk;
 - (ii) the activities undertaken by any specified relations; and
 - (iii) the profile, constitution, or organisational structure of any specified relations;
 - (f) the procedures and controls the SNPO has in place to prevent the financing of terrorism;
 - (g) the diversion risk; and

- (h) the risk factors included in paragraphs 9(4) and (6).

PART 4 – UNDERSTANDING SPECIFIED RELATIONSHIPS AND ONGOING MONITORING

8 Understanding specified relationships

- (1) An SNPO must establish, record, maintain and operate appropriate procedures and controls to obtain an understanding of its specified relationships.
- (2) An SNPO must apply the procedures and controls specified in (1) to each specified relationship as far as reasonably practicable.
- (3) The SNPO must apply the procedures and controls specified in (1) as far as reasonably practicable –
 - (a) before the SNPO enters into a specified relationship; or
 - (b) on an exceptional basis, during the formation of a specified relationship; and
 - (c) on an ongoing basis, in accordance with paragraph 10.
- (4) The procedures and controls specified in (1) must enable the SNPO to –
 - (a) gain a reasonable and appropriate understanding of the nature, purpose, and reason for the specified relationship;
 - (b) take reasonable measures to confirm and therefore gain a reasonable and appropriate understanding of the identity, credentials and good standing of the specified relations;
 - (c) notwithstanding paragraph 9(3)(b) verify the understanding in subparagraph (b) using reliable, independent source documents, data or information, where appropriate;
 - (d) consider measures which may be necessary to ascertain the –
 - (i) ultimate destination of the funds; and
 - (ii) if appropriate, the source of funds;
 - (e) assess and mitigate the diversion risk; and
 - (f) confirm, as far as reasonably practicable, that its specified relationships are not assisting or being used to assist terrorism or the financing of terrorism.

9 Enhanced measures

- (1) An SNPO must establish, record, maintain and operate appropriate procedures and controls for undertaking enhanced measures in respect of obtaining an understanding of its specified relationships.

- (2) An SNPO must undertake enhanced measures in relation to a specified relationship —
- (a) where the SNPO determines it is appropriate to do so, having considered whether a specified relationship poses a higher risk of FT;
 - (b) in the event of any unusual activity; and
 - (c) in the event of any suspicious activity, unless the SNPO reasonably believes undertaking enhanced measures will tip off any of the specified relations.
- (3) Enhanced measures in respect of an SNPO's specified relationships include —
- (a) considering whether additional identification information needs to be obtained, and, if so, obtaining such additional information;
 - (b) considering whether additional aspects of the identity, credentials, or good standing of the specified relations need to be verified by reliable independent source documents, data or information and, if so, taking reasonable measures to obtain such additional verification;
 - (c) undertaking further research, where considered necessary, in order to understand the background or profile of a specified relation; and
 - (d) considering what additional ongoing monitoring should be carried out in accordance with paragraph 10 and, subsequently, carrying it out.
- (4) Matters that pose a higher risk of FT include —
- (a) a specified relation that is resident or located in, or operating in or from, a jurisdiction in List A; or
 - (b) a specified relation that is the subject of a warning in relation to CFT matters issued by a competent authority or an equivalent authority in another jurisdiction.
- (5) If subparagraph (4)(a) or (b) applies, the SNPO's senior management must approve the establishment, or continuation, of the specified relationship.
- (6) Matters that may pose a higher risk of FT include —
- (a) specified activity in a higher risk jurisdiction, including activity in a jurisdiction in List A or B;
 - (b) a specified relation resident or located in, or operating in or from, a jurisdiction in List B;
 - (c) the type of activity the SNPO or associate NPO engages in;

- (d) the type of transactions, including the delivery methods and sources of funding of the SNPO or associate NPO;
- (e) proximity to known or suspected sources of terrorist financing;
- (f) a situation that, by its nature, presents an increased risk of FT;
- (g) a specified relationship involving a PEP; and
- (h) the constitution or organisational structure of a specified relation.

10 Ongoing monitoring

- (1) An SNPO must perform ongoing and effective risk-based monitoring of its specified relationships, including —
 - (a) a review of information and documents held for the purpose of understanding the specified relationship, including of the identity, credentials, and good standing of its specified relations to ensure such information and documents are up-to-date, accurate and appropriate, in particular where the specified relationship presents a higher risk of FT;
 - (b) appropriate scrutiny of the interactions between an SNPO and its specified relations, including appropriate scrutiny of transactions, actions, and behaviours, to ensure that they are consistent with —
 - (i) the SNPO's knowledge and understanding of the specified relationship, including the SNPO's understanding of the specified relations' identity, credentials, and good standing;
 - (ii) the specified activity risk assessment carried out under paragraph 7;
 - (iii) any enhanced measures undertaken in relation to paragraph 9; and
 - (c) monitoring whether any specified relation is listed on the sanctions list.
- (2) Where an SNPO identifies any unusual activity in the course of its specified activity the SNPO must —
 - (a) perform appropriate scrutiny of the unusual activity;
 - (b) undertake enhanced measures in accordance with paragraph 9; and
 - (c) consider whether there are reasonable grounds for knowing or suspecting that the unusual activity is FT.
- (3) Where an SNPO identifies any suspicious activity in the course of its specified activity the SNPO must —

- (a) undertake enhanced measures in accordance with paragraph 9, unless the SNPO reasonably believes undertaking enhanced measures will tip off the subject; and
 - (b) make an external disclosure.
- (4) The SNPO must determine the extent and frequency of any monitoring under this paragraph—
 - (a) on the basis of materiality and risk of FT;
 - (b) in accordance with the specified activity risk assessment carried out under paragraph 7; and
 - (c) having particular regard to whether a specified relationship presents any higher-risk factors of FT.
- (5) An SNPO must record the date when the review of each specified relationship takes place, and details of any examination, steps, measures or determination made or taken under this paragraph.

PART 5 – REPORTING AND REGISTERS

11 Reporting procedures and controls

An SNPO must establish, record, maintain and operate reporting procedures and controls that —

- (a) enable its officers and all other persons involved in its management, and all appropriate employees and workers to know to whom any suspicious activity should be disclosed;
- (b) ensure that there is a clear reporting chain to a person of sufficient seniority within the organisation to make an external disclosure; and
- (c) enable the information to be provided as soon as is practicable to the Financial Intelligence Unit as an external disclosure if the SNPO knows or suspects, or has reasonable grounds for knowing or suspecting, the activity is FT.

12 External disclosures

- (1) Where an SNPO identifies any suspicious activity in the course of its specified activity, the SNPO must make an external disclosure to the Financial Intelligence Unit in accordance with the reporting procedures and controls established under paragraph 11 as soon as is practicable if the SNPO —
 - (a) knows or suspects; or
 - (b) has reasonable grounds for knowing or suspecting,

that the activity is FT.

- (2) A disclosure under subparagraph (1) does not breach —
 - (a) any obligation of confidence owed by the SNPO; or
 - (b) any other restriction on the disclosure if information (however imposed).

13 Register of financing of terrorism enquiries

- (1) An SNPO must establish and maintain a register of FT enquiries received by it from competent authorities.
- (2) The register must be kept separate from other records and include —
 - (a) the date of the enquiry;
 - (b) the nature of the enquiry;
 - (c) the name and agency of the enquiring officer;
 - (d) the powers being exercised; and
 - (e) details of the accounts or transactions involved.

PART 6 – PERSONNEL

14 New staff appointments

An SNPO must establish, record, maintain and operate appropriate procedures and controls to enable the SNPO to satisfy itself of the integrity of new officers of the SNPO and of all new appropriate employees and workers.

15 Staff training

- (1) An SNPO must provide or arrange education and training, including refresher training, at least annually for —
 - (a) all officers;
 - (b) any other persons involved in its management; and
 - (c) appropriate employees and workers.
- (2) The education and training referred to in subparagraph (1) must make those persons aware of —
 - (a) the provisions of the CFT legislation;
 - (b) any personal obligations in relation to the CFT legislation;
 - (c) the reporting procedures and controls established under Part 5;
 - (d) the SNPO's procedures and controls for CFT as required by paragraph 6;

- (e) the recognition and handling of unusual activity and suspicious activity;
 - (f) the liability for failure to report information or suspicions in accordance with internal procedures and controls, including the offence of tipping off; and
 - (g) new and current methods and developments in FT, including information on techniques, methods and trends.
- (3) Where there have been significant changes to CFT legislation, or the SNPO's procedures and controls, the SNPO must provide appropriate education and training to the persons referred to in subparagraph (1) within a reasonable timeframe.
- (4) The SNPO must maintain records which demonstrate compliance with this paragraph.

PART 7 – RECORDS

16 Record keeping

An SNPO must keep —

- (a) a copy of the documents obtained or produced under Parts 3 to 6, including identification information, account files, business correspondence records and the results of any analysis undertaken (or information that enables a copy of such documents to be obtained);
- (b) a record of all transactions carried out in the course of its specified activity, including identification information, account files, business correspondence records and the results of any analysis (or information that enables a copy of such records to be obtained); and
- (c) such other records as are sufficient to permit reconstruction of individual transactions and compliance with this Code.

17 Record retention

- (1) An SNPO must keep the records required by this Code for at least the period specified in subparagraph (3) or (4).
- (2) The obligation in subparagraph (1) continues to apply after the person ceases to be an SNPO.
- (3) In the case of records required to be kept under paragraph 16(b), the records must be kept for a period of 5 years from the date of the completion of the transaction.

- (4) In the case of records to which subparagraph (3) does not apply, the records must be kept for a period of 5 years beginning on the date on which —
 - (a) the specified relationship was formally ended; or
 - (b) if the specified relationship was not formally ended, when all activities relating to the specified relationship were completed.
- (5) Without limiting subparagraph (1), if —
 - (a) an external disclosure has been made to the Financial Intelligence Unit under paragraph 12 (external disclosures);
 - (b) the SNPO knows or believes that a matter is under investigation by a competent authority; or
 - (c) the SNPO becomes aware that a request for information or an enquiry is underway by a competent authority.

the SNPO must retain all relevant records for as long as required by the competent authority.

18 Record format and retrieval

- (1) The obligations of this paragraph continue to apply after a person ceases to be an SNPO.
- (2) In the case of any records required to be established and maintained under this Code —
 - (a) if the records are in the form of hard copies kept in the Island, the SNPO must ensure that they are capable of retrieval without undue delay;
 - (b) if the records are in the form of hard copies kept outside the Island, the SNPO must ensure that the copies can be sent to the Island and made available within 7 working days; and
 - (c) if the records are not in the form of hard copies (such as records kept on a computer system), the SNPO must ensure that they are readily accessible in or from the Island and that they are capable of retrieval without undue delay.

PART 8 – OFFENCES

19 Offences

- (1) A person who contravenes the requirements of this Code is guilty of an offence and liable —

- (a) on summary conviction to custody for a term not exceeding 12 months or to a fine not exceeding level 5 on the standard scale, or to both; or
 - (b) on conviction on information to custody not exceeding 2 years or to a fine, or to both.
- (2) In determining whether a person has complied with any of the requirements of this Code, a court may take account of —
 - (a) any relevant supervisory or regulatory guidance given by a competent authority that applies to that person; or
 - (b) in a case where no guidance falling within subparagraph (2)(a) applies, any other relevant guidance issued by a body that regulates, or is representative of, any trade, business, profession or employment carried on by that person.
- (3) In proceedings against a person for an offence under this paragraph, it is a defence for the person to show that they took all reasonable measures to avoid committing the offence.
- (4) If an offence under this paragraph is committed by a body corporate or foundation and it is proved that the offence —
 - (a) was committed with the consent or connivance of; or
 - (b) was attributable to the neglect on the part ofan officer of the body, the officer, as well as the body, is guilty of the offence and liable to the penalty provided for it.
- (5) If an offence under this paragraph is committed by a partnership that does not have legal personality, or by an association other than a partnership or body corporate and it is proved that the offence —
 - (a) was committed with the consent or connivance of; or
 - (b) was attributable to the neglect on the part ofa partner in the partnership or person concerned in the management or control of the association, the partner or the person concerned, as well as the partnership or association, is guilty of the offence and liable to the penalty provided for it.

PART 9 - REVOCATION

20 Revocation

The Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019 is revoked.³

³ SD 2019/0200

MADE 31 JULY 2026

JANE POOLE-WILSON
Minister for Justice and Home Affairs

Effective from 1 September 2026, and subject to completion of the Tynwald negative procedure in November 2026.

*EXPLANATORY NOTE**(This note is not part of the Code)*

This Code is made under section 157 of the Proceeds of Crime Act 2008 and section 68 of the Terrorism and Other Crime (Financial Restrictions) Act 2014. It contains provisions in line with the Financial Action Task Force's Recommendations on countering the financing of terrorism.

This Code revokes the Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019 (SD 2019/0200).

This Code applies to specified non-profit organisations and is only applicable to the carrying out of 'specified activity', as defined in paragraph 5 of this Code. This Code sets out requirements on such persons for countering the financing of terrorism, whereas the previous Code covered requirements in relation to both preventing money laundering and countering the financing of terrorism.

Failure to comply with the requirements of this Code is an offence for which this Code specifies the penalties.

Effective from 1 September 2026, and subject to completion of the Tynwald negative procedure in November 2026