



Department of Home Affairs

Rheynn Cooishyn Sthie



ISLE OF MAN FINANCIAL SERVICES AUTHORITY

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Consultation Paper

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

CP26-01

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Glossary

Authority	Isle of Man Financial Services Authority
CFT	Countering the Financing of Terrorism
DBRO	Designated Businesses (Registration and Oversight) Act 2015
DHA	Department of Home Affairs
DNFBP	Designated Non-Financial Business or Profession
Engagement Hub	Isle of Man Government's Engagement Hub ¹
Good works	Acts of charity, kindness, or good will.
NPO	Non-Profit Organisation
POCA	Proceeds of Crime Act 2008
SNPO	Specified Non-Profit Organisation
SNPO Code 19	Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019
SNPO Code 26	Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026

¹ <https://consult.gov.im/>

1. Executive Summary

1.1 Introduction

This Consultation Paper ('Paper') is issued jointly by the Department of Home Affairs ("DHA") and the Isle of Man Financial Services Authority (the "Authority").

The Isle of Man is renowned for its generosity, with a significant level of funds being raised and distributed every year to local and international good causes. Our charitable organisations thrive thanks to the energy, vitality and personal commitment displayed by a network of hard-working volunteers and fundraisers. Their efforts are appreciated by so many on the Island and overseas.

It should be noted that the proposals outlined in this consultation will not impact each charity or NPO operating on the Island – rather, the changes pertain only to a very small subset of organisations operating internationally (defined as outside of the IOM, UK, Ireland, Guernsey and Jersey), identified during the process of conducting the Island's National Risk Assessment.

The proposals aim to make it easier for SNPOs to foster a giving environment which is sufficiently equipped to counter terrorist financing, with support and guidance on hand where needed. In line with the current position, no SNPOs will be charged application or annual registration fees by the Authority. The various Government agencies and authorities are proposing to use existing resources and funding sources to resource training and outreach. Any outcome of this consultation is not envisaged to have an adverse financial impact on the Island's NPO sector. The proposals aim to protect both the good work of NPOs and their volunteers, and, ultimately, our Island.

1.2 Overview

The SNPO Code 26 seeks to simplify the Countering the Financing of Terrorism ("CFT") requirements that specified non-profit organisations ("SNPOs") are subject to, allowing SNPO resource to focus on continuing to carry out 'good works' from the Island, whilst still ensuring that SNPOs have CFT measures robust enough to safeguard their organisations from falling vulnerable to terrorist financing. The proposed changes are reflective of the feedback received from existing SNPOs which have been subject to the requirements of the Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019 (the "SNPO Code 19"), and have taken into consideration outreach undertaken with the NPO sector over the past year whilst work has been undertaken to formulate the Island's National Risk Assessment on Non-Profit Organisations – Terrorist Financing.

The SNPO Code 26 refers to a new definition of 'SNPO', which will be amended in both Schedule 4 to the Proceeds of Crime Act 2008 ("POCA") and Schedule 1 to the Designated Businesses (Registration and Oversight) Act 2015 ("DBRO"). The new definition widens the scope of what will be considered an SNPO, and will, therefore, bring a small number of NPOs under the requirement to register with the Isle of Man Financial Services Authority as

a Designated Non-Financial Business or Profession (“DNFBP”)², whilst also including them within the obligation to apply the CFT measures contained within the SNPO Code 26.

To support both existing SNPOs and organisations which will be captured by the new definition, the Authority is committed to providing significant support to the sector, inclusive of dedicated SNPO guidance, template documents, outreach, and training. The Authority will be on hand to support the sector in applying strong CFT measures that will ultimately protect the good work they do from falling vulnerable to terrorist financing.

The reasons for this new Code are two-fold.

- 1) The Authority has, through its engagement with the Island’s existing SNPOs, taken on-board the feedback from the sector around the practicalities of compliance with the SNPO Code 19. As such, the Authority wishes to revise the requirements in order to ensure that the expectations around CFT measures SNPOs are required to undertake are practical and manageable for the Island’s sector.
- 2) Ahead of the Island’s Mutual Evaluation by MONEYVAL in 2026, the Authority intends to ensure that the Island’s legislative framework around NPOs is fully aligned with Recommendation 8 of the Financial Action Taskforce’s 40 Recommendations (the “international standards”). Recommendation 8 focusses on how countries should ensure that NPOs are protected from terrorist financing. There have been a number of changes to the international standards in recent years, particularly in relation to Recommendation 8 – CFT measures must be risk-based and not so burdensome as to dissuade organisations from carrying out ‘good works’.

1.3 Purpose

The purpose of this consultation is to obtain views on the Specified Non-Profit Organisations (Countering the Financing of Terrorism Code 2026 (‘the SNPO Code 26’).

It is intended that this will replace and revoke the current Code, the SNPO Code 19.

The draft SNPO Code 26 is offered for public consultation now, for a period of 6 weeks, in order that views can be received on the legislation prior to progression through the legislative process.

1.4 Interested persons

The proposals in this Consultation paper are relevant to existing SNPO’s, together with those non-profit organisations (‘NPO’s) that may be brought into the scope of the CFT requirements.

² Please note that SNPOs are exempt from paying application and annual fees, as per the Designated Businesses (Fees) Order 2023.

1.5 How to respond

This Consultation Paper has been published on the Isle of Man Government's [Engagement Hub](#). You can give your responses by clicking on the 'Online Survey' link. It is also accessible from both the Authority's and DHA's websites.

Responses can be submitted by email to snpo@iomfsa.im and, if in an attachment, preferably in a format where the content is easy to extract for analysis. Alternatively, you can submit responses by post to:

Mr 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

1.6 Next steps

Following closure of the consultation period on **02 March 2026**, the Authority will review the responses received and publish a Feedback Statement on the Engagement Hub and the Authority's website.

1.7 Questions

If you have a query in relation to how this consultation has been carried out, please contact the Authority's AML/CFT Supervision Division by email at snpo@iomfsa.im or by telephone on +44 1624 646000.

2. Consultation Process

2.1 The Authority's regulatory objectives

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

- (a) securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
- (b) the reduction of financial crime; and
- (c) the maintenance of confidence in the Island's financial services, insurance and pensions industries through effective regulation, thereby supporting the Island's economy and its development as an international financial centre.

2.2 Basis for consultation

The DHA & Authority have issued this Consultation Paper in accordance with section 157(4) of the Proceeds of Crime Act 2008 and section 68(4) of the Terrorism and Other Crime (Financial Restrictions) Act 2014, which require that the DHA consult any person or body that appears to it to be appropriate, before making a code under those sections.

The Authority has contacted the recipients listed in [Appendix A](#) directly to provide a link to this Consultation Paper. Feedback from other interested persons is welcome.

2.3 Responding to the Consultation Paper

Open dialogue with stakeholders is an essential element for successful development of the Authority's proposals. Constructive feedback will help the Authority reach an informed decision on the content of the proposals and manner of implementation. Respondents should note the following when responding to this consultation:

- Submissions received by the closing date will be considered but may not necessarily result in a change to the proposals following a review of all responses received.

2.4 Confidentiality and data protection

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

If you want your response to remain confidential, you should explain why confidentiality is necessary and your request will be agreed to only if it is appropriate in the circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding.

The Authority is registered with the Information Commissioner as a data controller under Isle of Man data protection legislation. It collects and processes personal data to carry out its functions under relevant legislation and may share personal data with other parties where

there is a legal basis for doing so. Further information on how the Authority collects and processes personal data can be found in the [Privacy Notice](#) on the Authority's website.³

3. Proposals

3.1 Definition of Specified Non-Profit Organisation

It is proposed to amend the definition of 'specified non-profit organisation' within Schedule 4 to the Proceeds of Crime Act 2008 and subsequently reflect this definition in the SNPO Code 26 and the Designated Businesses (Registration and Oversight) Act 2015.

Organisations matching the new definition will be required to register with the Authority as Designated Non-Financial Businesses and Professions. Please note, there remains no registration or annual fees for registering as an SNPO (as illustrated in the [Designated Businesses \(Fees\) Order 2023](#)).

As proposed, the new definition is:

"specified non-profit organisation" or **"SNPO"** means a body corporate or other legal person, the trustees of a trust, a partnership, a foundation, other unincorporated association or organisation or any equivalent or similar structure or arrangement established solely or primarily to raise or disburse funds for purposes like charitable, religious, cultural, educational, social, fraternal or philanthropic purposes with the intention of benefitting the public or a section of the public, or for the carrying out of other types of "good works" which —

- (a) raises funds from outside the Isle of Man, the Bailiwick of Jersey, the Bailiwick of Guernsey, the United Kingdom, and the Republic of Ireland; or
- (b) disburses funds to one or more ultimate recipients outside the Isle of Man, the Bailiwick of Jersey, the Bailiwick of Guernsey, the United Kingdom, and the Republic of Ireland; and
- (c) where the decision of where to disburse the funds is made within the Island;

For reference, the [definition](#) is currently:

"specified non-profit organisation" means a body corporate or other legal person, the trustees of a trust, a partnership, other unincorporate association or organisation or any equivalent or similar structure or arrangement, established solely or primarily to raise or distribute funds for charitable, religious, cultural, educational, political, social, fraternal or philanthropic purposes with the intention of benefiting the public or a section of the public —

- (a) which has an annual or anticipated annual income of £5,000 or more;

³ <https://www.iomfsa.im/terms-conditions/privacy-notice/>

- (b) which has remitted, or is anticipated to remit, at least £2,000 in any one financial year to one or more ultimate recipients in or from one or more higher risk jurisdictions; and
- (c) where the decision as to where to remit the funds is made in the Island, and for the purpose of this definition “**higher risk jurisdiction**” means a jurisdiction which the specified non-profit organisation, having considered any relevant guidance, determines presents a higher risk of money laundering, the financing of terrorism or of the proliferation;

3.2 Proposal to revoke and replace the SNPO Code 2019

The *Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026* shall revoke and replace the *Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019*.

The requirements of the SNPO Code 26 are drafted with practicality and proportionality in mind. The SNPO Code 26 should enable SNPOs to operate on an approach which is more risk-based than is currently permissible under the SNPO Code 19 and should therefore be able to effectively target resource to where the higher risks may lie. It is hoped that this should allow SNPOs to protect the interests of their organisation through robust, risk-based CFT measures, with the Authority’s CFT-oversight regime acting to support SNPOs to continue carrying out ‘good works’ from the Island.

3.3 Proposal for sector-specified terrorist financing guidance

To accompany the SNPO Code 26, the Authority intends to publish a standalone guidance document to aid SNPOs’ understanding of the risks of terrorist financing. This will be accompanied by template documents, where appropriate.

4. Impact Assessment

The proposed changes to the SNPO oversight regime are intended to clarify and enhance the Isle of Man’s existing countering financial crime framework. Primarily, the changes attempt to make compliance with the CFT requirements simpler and more practical for the Island’s non-profit organisation sector.

In addition, the SNPO Code 26 aims to align the Island’s legislation with evolving international standards.

It is anticipated that the proposed new definition of ‘specified non-profit organisation’ will bring a small additional population of NPOs into the scope of both the CFT legislation & the registration requirements of the Designated Businesses (Registration and Oversight) Act 2015.

It is appreciated that this may be the first encounter that a smaller NPO may have had with formalised CFT measures and legislation. However, it has been attempted to draft the requirements of the SNPO Code 26 in such a way that they will be proportionate, practical,

and effective for this new population of organisations. Additionally, this should also simplify the requirements for those SNPOs already registered with, and overseen by, the Authority.

This consultation provides stakeholders with an important opportunity to review the proposed changes and offer feedback to help ensure that the final legislation is both effective and proportionate.

5. Questions

Question 1

What is your name? (Required)

Response:

Question 2

What is your email address? (Required)

Response:

Question 3

May we publish your response? Please read our [Privacy Notice](#) for more details and your rights. (Required)

Response:

Yes, you can publish my response in full;

Yes, you may publish my response anonymously; or

No, please do not publish my response.

Question 4

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

Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Response:

Question 5

Do you agree with the proposed revisions to the SNPO framework?

Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Response:

Question 6

Do you agree that the proposals within this new SNPO framework will help you, as an organisation, to be more aware of, and undertake, effective counter terrorist financing measures?

Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Response:

Question 7

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?

Please explain your reasons and list any areas where you think clarification, change, or further consideration may be appropriate.

Response:

Question 8

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

Please provide any information you think is relevant.

Response:

Question 9

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)?

Response:

Question 10

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

Response:

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

- [Linked to the Overview Page](#)