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

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DRAFT

Statutory Document No. 20XX/XXXX

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*Proceeds of Crime 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:*

*[DATE]*

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

### **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 [DATE]<sup>2</sup>.

### **3 Application**

This Code applies to specified non-profit organisations that carry on specified activity, as defined in paragraph 4.

### **4 Interpretation**

(1) In this Code –

<sup>1</sup> 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.

<sup>2</sup> 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.

**“Activity risk assessment”** has the meaning given in paragraph 6 (activity risk assessment);

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

**“associate NPO”** means an NPO with which the SNPO formally or materially collaborates or works jointly in carrying out its specified activity, and includes foreign branches of international NPOs, and NPOs with which partnerships have been arranged;

**“beneficiary”** in relation to an SNPO, means the person who receives benefit (either directly or indirectly) for charitable, religious, cultural, educational, political, social, fraternal or philanthropic purposes and, for the avoidance of doubt, this includes both the ultimate beneficiary and any intermediaries;

**“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 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 regular volunteer for an SNPO;

**“enhanced measures”** means the steps specified in paragraph 8 (enhanced measures) which are additional to the measures specified in paragraph 7 for the purpose of understanding the specified relationship, including identifying and verifying the identity, credentials and good standing of beneficiaries, associate NPOs, and significant donors, including any beneficial owners of, and other persons in relation to, the aforementioned;

**“external disclosure”** means a disclosure made under paragraph 11 (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;

**“financing of terrorism”** or **“FT”** includes the financing of proliferation and is to be construed in accordance with the definitions of **“financing”**,

“**terrorism**” and “**proliferation**” in section 3 of the Terrorism and Other Crime (Financial Restrictions) Act 2014, and includes the attempted financing of terrorism;

“**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 relevantly 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 carry 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;

**“politically exposed person” or “PEP”** 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, including –

- (i) a spouse;
- (ii) a partner considered by national law as equivalent to a spouse;
- (iii) a child;
- (iv) the spouse of 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) legal arrangement known to have been set up for the benefit of P;
- (iii) the sole beneficial owner of a legal person or legal arrangement of which P;
- (iv) a beneficiary of a legal arrangement of which P is the beneficial owner or beneficiary; or
- (v) 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 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;

**“significant donor”** means a person who makes a gift, or a series of linked gifts, to an SNPO where —

- (a) the amount of the gift, or, as the case may be, the aggregate in a series of linked gifts, is more than €15,000; and
- (b) the person ultimately making the gift is not located in the Island; and **“significant donation”** is to be construed accordingly;

**“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;

**“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;

“specified relation” —

- (a) means a beneficiary, associate NPO or a significant donor that is party to a beneficiary relationship, associate NPO relationship or significant donor relationship, 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, associate NPO or a significant donor 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”, “associate NPO relationship”, and “significant donor 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;

“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 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 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, significant donor, beneficial owner or beneficiary of a legal arrangement or SNPO; and

“virtual asset” or “VA” has the meaning given to it in paragraph 1 of Schedule 4 to the Proceeds of Crime Act 2008 or the equivalent meaning in another jurisdiction.

(2) In this Code, a reference to an amount of currency expressed in euros is to be construed as meaning that amount converted into, and expressed as, an amount of any other currency, including fiat or in the form of virtual assets.

## PART 2 – GENERAL REQUIREMENTS

### 5 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 8;
  - (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, where appropriate 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 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 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

### 6 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 ("activity risk assessment").

(2) The 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 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, which includes any jurisdiction in which the SNPO operates, raises or disburses 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 higher risk factors included in subparagraph 8(6).

## PART 4 – UNDERSTANDING THE RELATIONSHIPS AND ONGOING MONITORING

### 7 Understanding the relationships

- (1) An SNPO must establish, record, maintain and operate appropriate procedures and controls to understand 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) –
  - (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 9.
- (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) gain a reasonable and appropriate understanding of the identity, credentials and good-standing of the specified relations;
  - (c) assess and mitigate the diversion risk of funds being used to assist terrorism or the financing of terrorism; and
  - (d) confirm, as far as reasonably practicable, that its specified relationships are not assisting or being used to assist terrorism or the financing of terrorism.
- (5) The procedures and controls specified in (1) must enable the SNPO to –
  - (a) take reasonable measures to confirm the identity, credentials and good standing of any specified relation before the SNPO enters into a specified relationship;
  - (b) where appropriate, take reasonable measures to verify the identity of any beneficiary and associate NPO using reliable, independent source documents, data or information;
  - (c) keep a record of significant donors;
  - (d) consider measures which may be necessary to ascertain the –
    - (i) ultimate destination of the funds; or
    - (ii) source of funds, if appropriate; and

- (e) satisfy itself, so far as possible, that a specified relationship is not assisting, or being used to assist, terrorism or the financing of terrorism

## 8 Enhanced measures

- (1) An SNPO must establish, record, maintain and operate appropriate procedures and controls for undertaking enhanced measures in respect of specified relationships.
- (2) 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 relations; and
  - (d) considering what additional ongoing monitoring should be carried out in accordance with paragraph 9 and, subsequently, carrying it out.
- (3) 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.
- (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; and
  - (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 jurisdiction the SNPO deems to pose a higher risk of FT, including activity in a jurisdiction in List A or B;
  - (b) a specified relationship 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 PEP relationship; and
  - (h) the constitution or organisational structure of a specified relation.

## 9 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 activity risk assessment carried out under paragraph 6;
    - (iii) any enhanced measures undertaken in relation to paragraph 8; 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 8; 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 8, unless the SNPO reasonably believes undertaking enhanced measures will tip off the subject of the suspicion; 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 activity risk assessment carried out under paragraph 6; 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

### 10 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 suspect, or has reasonable grounds for knowing or suspecting, the activity is FT.

## 11 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 9 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).

## 12 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

## 13 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.

## 14 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, workers and volunteers.

(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 4;
- (e) the recognition and handling of unusual activity and suspicious activity;
- (f) their personal liability for failure to report information or suspicious in accordance with internal procedures and controls, including the offence of tipping off; and
- (g) new methods and developments, including information on current techniques, methods and trends in FT.

(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

### 15 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, and relating to, the 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.

## 16 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) To avoid doubt, 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 15(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 11;
  - (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.

## 17 Record format and retrieval

- (1) To avoid doubt, 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 – MISCELLANEOUS

### 18 Branches and subsidiaries

- (1) This paragraph applies to an SNPO if a branch or majority-owned subsidiary of the SNPO is undertaking an activity which is equivalent to any activity included in Schedule 4 to the Proceeds of Crime Act 2008.
- (2) An SNPO must ensure that any branch or majority-owned subsidiary in a jurisdiction outside the Island takes measures consistent with this Code and guidance issued by a competent authority for CFT, to the extent permitted by that jurisdiction's laws.
- (3) If the minimum measures for CFT in such a jurisdiction are lower than those required by the law of the Island, the SNPO must apply appropriate additional measures to manage the FT risk and ensure that any branch or majority-owned subsidiary in that jurisdiction applies those additional measures, to the extent permitted by that jurisdiction's laws.
- (4) An SNPO must inform the relevant competent authority within a reasonable timeframe when a branch or majority-owned subsidiary is unable to take any of the measures referred to in subparagraph (2) or (3) because it is prohibited by the laws of the jurisdiction concerned.

## PART 9 – OFFENCES AND REVOCATION

### 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 it 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 of connivance of; or
  - (b) was attributable to the neglect on the part of,  
an 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 provided that the offence —
  - (a) was committed with the consent or connivance of;
  - (b) was attributable to the neglect on the part of,  
a 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 proved for it.

**20 Revocation**

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

MADE

JANE POOLE-WILSON  
*Minister for Justice and Home Affairs*

<sup>3</sup> SD 2019/0200

***EXPLANATORY NOTE***

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

This Code sets out the requirements under the Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026

The Anti-Money Laundering and Countering the Financing of Terrorism (Specified Non-Profit Organisations) Code 2019 (SD 2019/0202) was revoked by the Specified Non-Profit Organisations (Countering the Financing of Terrorism) Code 2026. (SD.....), and has been replaced with a new Code which limits focus to countering the financing of terrorism. This Code applies to specified non-profit organisations and is only applicable to the carrying out of 'specified activity', as defined in paragraph 4 of this Code.

This Code is made jointly 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.

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

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