

## Order of the Day

### 4. BILL FOR SECOND READING

#### 4.1. Anti-Money Laundering and other Financial Crime (Miscellaneous Amendments) Bill 2018 – Second Reading approved

Miss Bettison to move:

*That Anti-Money Laundering and other Financial Crime (Miscellaneous Amendments) Bill 2018 be read a second time.*

**The Speaker:** Item 4, Bill for Second Reading, Anti-Money Laundering and other Financial Crime (Miscellaneous Amendments) Bill 2018. I call on Miss Bettison to move.

**Miss Bettison:** Thank you, Mr Speaker.

5 In moving the Second Reading of this Bill I think it is important to set the scene. As a Member  
of the Department of Home Affairs it has become obvious that in order to promote the safety  
and well-being of our community we need to have a wider vision than just what is happening on  
our Island. I say the safety and well-being of our community because crime knows no borders.  
As an international business centre in the digital age we need to constantly ensure our  
10 legislation is robust and able to meet whatever challenges the rest of the world may throw at us.  
Furthermore, from a business and reputational point of view we also want to be positive and  
responsive to the values and developing standards of the international community. This is  
important not only from the point of view of the Island's image but is also good for business to  
be associated with a reputable jurisdiction.

15 I must emphasise the Island is very willing to submit itself to international scrutiny and in  
2016 received an inspection team from Moneyval. That team subsequently produced a very  
detailed report on their visit together with a number of recommendations and assessments. In  
the light of their report and the actions recommended within it a number of measures have  
been taken, including this Bill which is now before the House for Second Reading this morning.  
20 Key areas identified by Moneyval which are addressed through this Bill are record-keeping  
requirements for unregulated domestic and foreign trustees and additional record-keeping  
requirements in respect of foundations.

I will give a very brief overview of the Bill and emphasise a few of the key points. More detail  
on the clauses will be given during the clauses stage. The Bill is split into eight parts comprising  
25 18 clauses.

Part 1 contains the first two clauses, which set out the title and commencement provisions.

Part 2 consists of clauses 3 and 4, which concern provisions in respect of unregulated  
domestic and foreign trustees. The clauses provide the power to make codes for unregulated  
domestic and foreign trustees under the Proceeds of Crime Act 2008 and the Terrorism and  
30 other Crime (Financial Restrictions) Act 2014.

Part 3 introduces detailed measures to amend the Criminal Justice Act 1991. I mentioned  
earlier the priority of the safety and well-being of our community and the fact that organised  
and financial crime in particular knows no borders. The measures in this Part make explicit the  
power to prosecute/predicate cases domestically where parts of the offence or offences were  
35 committed abroad. Whilst not identified by Moneyval, the measures have been brought forward  
through this Bill because they remove potential obstacles to prosecution where not all aspects  
of an offence take place in the Island. It is also considered such measures will add value to the

work being done to address other issues identified by Moneyval overall. Combatting crime, however and wherever committed, contributes to our own safety and well-being as a community.

Part 4 comprises clauses 7, 8 and 9 and deals with penalties for failure to comply with certain requirements and addresses a matter also identified by Moneyval. Consistency in legislation is introduced regarding penalties for failure to produce information to regulators and to law enforcement.

Part 5 contains clause 10 of the Bill and concerns an amendment to gambling legislation relating to cross-referencing and adds a category of decision which is subject to appeal.

Part 6 of the Bill introduces additional record-keeping requirements in respect of foundations.

Part 7 of the Bill, through clauses 12 to 16, clarifies the powers of the Companies Registrar or the Department for Enterprise, as the case may be, to make further inquiries regarding the accuracy of information submitted.

Part 8 comprises clauses 17 and 18 and makes short amendments to the Financial Services Act 2008 and the Insurance Act 2008 respectively. The new provisions will further clarify the powers of the authority with regard to the undertaking of investigations into potential breaches of AMLCFT legislation regarding the insurance industry.

Mr Speaker, consultation on the Bill was undertaken from 18th December 2017 to 5th February 2018 in order to provide an opportunity for the financial services industry, relevant non-financial services, professional organisations and members of the public – in particular those who act as trustees – to submit their views concerning some important measures. Eighteen responses were received, of which 12 were from the business community.

Whilst the responses were broadly supportive, changes and assurances were given in two key areas. It was agreed that proposed provisions addressing Moneyval issues in relation to trusts would be better placed within an Anti-Money Laundering and Countering the Financing of Terrorism Code rather than in the Bill itself. Secondly, in relation to record-keeping requirements relating to foundations, whilst everyone recognises the importance of transparency it was recognised that sensitive personal data should be redacted from the public register; however, details of the founders and beneficiaries must be kept at an address in the Island so that they will be available to the competent authorities.

Mr Speaker, having set the scene and briefly outlined the contents of the Bill, I beg to move that the Anti-Money Laundering and other Financial Crime (Miscellaneous Amendments) Bill 2018 be read for the second time.

Thank you.

**The Speaker:** Hon. Member for Douglas South, Mr Malarkey.

**Mr Malarkey:** I beg to second and reserve my remarks, Mr Speaker.

**The Speaker:** Hon. Members, the question is that the Anti-Money Laundering and other Financial Crime (Miscellaneous Amendments) Bill 2018 be read for a second time. All those in favour, please say aye; against, no. The ayes have it. The ayes have it.