

What is Money Laundering?

1.

What is Money Laundering?

Money laundering (ML) is the processing of criminal proceeds to disguise their illegal origin. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

GSC



Guidance

View more GSC guidance on our website isleofmangsc.com/gambling.

2.

Criminal activities which may generate illegal proceeds include:

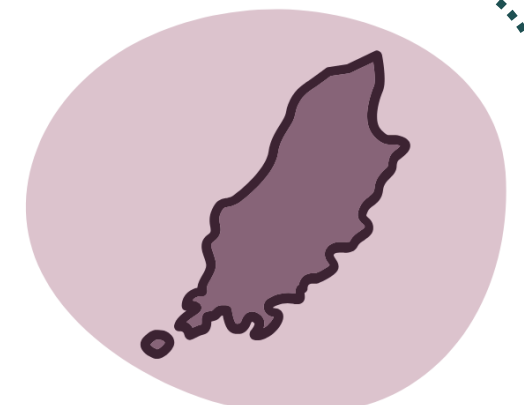
- Drug trafficking
- Human trafficking
- Migrant smuggling
- Illicit firearms trafficking
- Corruption and bribery
- Theft
- Fraud
- Illegal wildlife trade
- Environmental crime
- Tax crimes

3.

Isle of Man (IoM) National Risk Assessment (NRA) 2020:

The National Risk Assessment categorises the ML risk to the IOM as medium high. The wide range of financial and non-financial services available in the IOM, may be used to launder the proceeds of crime. As an International Financial Centre, the main threats are posed by money laundering from foreign predicate offences (money generating crimes taking place in other countries).

4.



The Island's Approach:

The Isle of Man is committed to global efforts to combat money laundering and maintaining international standards. This is set out in the Financial Crime Strategy 2024-2026 which commits to an All-Island approach to tackling financial crime.

5.

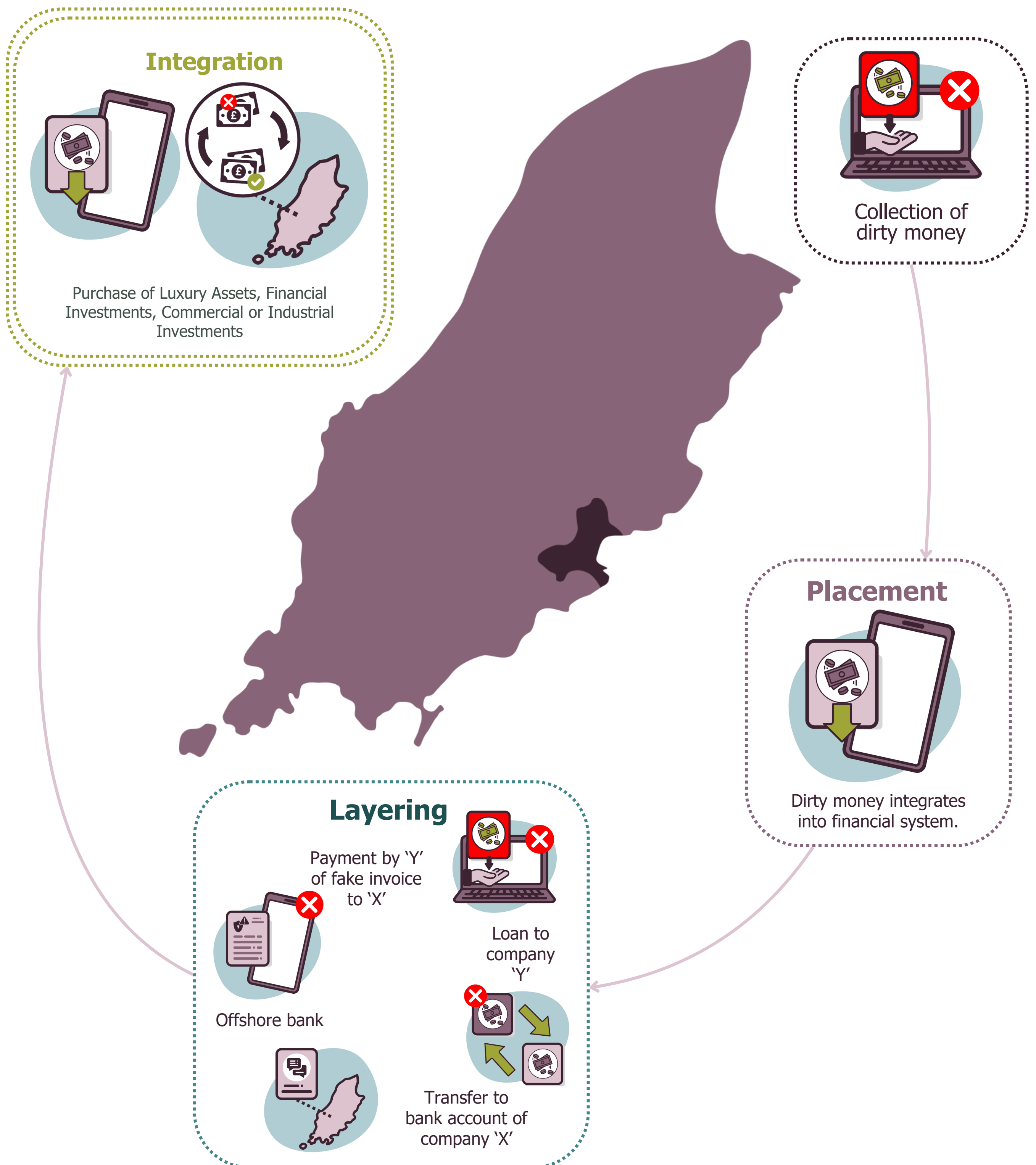
Main predicate crimes presenting threats to the IoM :

(As per the 2020 NRA)

- Fraud
- Theft
- Corruption and bribery
- Tax crime
- Drug trafficking

What is Money Laundering?

Below is the “traditional” ML model, there are more “modern” methods of ML now beginning to emerge. Rather than getting caught up in trying to establish whether the activity relates to a particular phase of the traditional model, the relevant person should ask themselves – “Do I know, suspect or have reasonable grounds to suspect that the property in question is criminal property?”



Integration

Purchase of Luxury Assets, Financial Investments, Commercial or Industrial Investments

Collection of dirty money

Placement

Dirty money integrates into financial system.

Layering

Payment by 'Y' of fake invoice to 'X'

Loan to company 'Y'

Offshore bank

Transfer to bank account of company 'X'

Our Island's Approach

7.

Our Approach

As an International Finance Centre, the Island recognises it must maintain high standards and we will continue to maintain a robust framework that means that criminals are deterred from conducting illegal activity. We are fully committed to maintaining our understanding of the developments in global regulation and enforcement techniques – and will continue to act quickly to strengthen our laws where needed.”

**Hon Alfred Cannan,
MHK Chief Minister**

9.

FIU Disclosure

..... If you are an individual and wish to make a disclosure to the FIU please contact 686000.

8.

Work within the regulated sector?

If you form your suspicion as part of work within the regulated sector, make a report to your Money Laundering Reporting Officer (MLRO) or Deputy Money Laundering Reporting Officer (DMLRO).

10.

More Information

- [IoM AML/CFT Overview page IoM](#)
- [Financial Crime Strategy 2024 - 2026](#)
- [IoM NRA of ML and FT 2020 IoM FIU](#)
- [Annual Report 2022-2023](#)

