

Information for private sector about the Mutual Evaluation Preparation process

Frequently Asked Questions

Why do Assessors want to talk to the private sector?

Private sector involvement is central to Mutual Evaluations because it allows Assessors to understand how AML/CFT measures operate in practice as well as getting a feel for the industry's understanding of risk. Assessors do not enter businesses or conduct inspections. Instead, they meet with private sector representatives through interviews and roundtables. They question them on their understanding of risk, how they apply preventative measures such as customer due diligence and suspicious activity reporting obligations, and how they respond to emerging threats. They also seek feedback on the effectiveness of supervisors, including whether supervision is risk-based and whether guidance and outreach are clear and useful. This engagement helps assessors evaluate key areas such as preventative measures, supervision and financial intelligence.

The following wording is a direct extract from the FATF Methodology:

"Assessors are not expected to conduct an in-depth review of the operations of financial institutions, DNFBPs and VASPs, but should consider, on the basis of evidence and interviews with supervisors, FIUs and other competent authorities, as well as the private sector, whether financial institutions, DNFBPs and VASPs have adequately assessed and understood their exposure to money laundering and terrorist financing risks; whether their policies, procedures and internal controls adequately address and mitigate these risks; and whether regulatory requirements (including STR reporting) are properly implemented."

What format will the Meeting take?

For those who have been subject to opening meetings at inspections or compliance meetings by their respective supervisor there should be no surprises presented by a meeting with the assessment team. The logistics of the day will be shared closer to the time, but you will find yourself at a large table along with representatives from the team. Meetings may be one-to-one with firms, and some firms are attending a joint meeting with other firms. For the one-to-one meetings with individual firms this is often just one or two assessors, and a member of the secretariat team. For the wider meetings where more industry members are being met the respective numbers from the assessment team could also be larger.

Each industry meeting could be as long as an hour, but they are likely to meet around 30 firms here in person and their time is limited, the agenda is likely to be fiercely kept, especially earlier in the process.

Am I going to be selected to speak to MONEYVAL?

The ultimate decision on which private sector entities to interview rests solely with the MONEYVAL Assessment Team, and confirmation is typically provided shortly before the on-site visit (although last minute additions could always be added during the evaluation). Nevertheless, there is a general expectation, based on past mutual evaluations and the risk-based methodology, that the team will seek to meet with firms representing a cross-section of the most economically significant and risk-relevant parts of the Island's financial and non-financial services landscape. This may include entities across the FI, DNFBP, and VASP sectors that play a material role in the Isle of Man's economy, operate internationally, or otherwise interact with customer groups, products, or jurisdictions that present varying levels of inherent ML/TF exposure. The team may also opt to speak with firms that have had more recent supervisory engagement, simply to understand how the supervisory framework operates in practice. In the NPO space, the Assessment Team are likely to meet a small number of organisations to understand the sector's governance and risk profile, which may include those administered by TCSPs or SNPOs operating internationally. Overall, the selection is expected to be broad and illustrative rather than focused on any individual firm.

What am I going to be asked?

Other than 'Am I going to be selected?' the second most common questions is what a firm is likely to be asked in an interview.

The evaluation team will be focusing on a number of key areas across the following topics:

- Understanding of AML/CFT/PF Risk Exposure
- Governance and Oversight AML/CFT/PF Controls
- Customer Due Diligence, including Enhanced and Simplified Measures
- Use of New Technologies
- Record Retention
- Supervisory Interaction & Past Findings
- Suspicious Activity Reporting

These link into Recommendations 3, 5, 6, 10, 11 and 20, which are seen as the gateway recommendations to the follow up process, as well as the core components of a number of the immediate outcomes around risk understanding and the application of that understanding to the daily business of the firms.

The most essential task an industry member can do to prepare is read and digest the suite of National Risk Assessments ("the NRA's"), consider how they impact their business utilising their existing Business Risk Assessment, Customer Risk Assessment and Technology Risk Assessment processes and associated procedures and controls

The NRAs provide the consistent narrative, developed from months of discussion, extensive data sets and engagement of stakeholders across public and private sectors.

Consideration of all the NRAs is important, as they may impact your sector regardless of the title. For instance:

- You are a Bank, with TCSP clients, you should review the TCSP risk assessment as well as the Legal Person & Arrangement Risk Assessment to understand the risks your clients are exposed to and the subsequent impact that will have on your risk assessments.
- You are an Estate Agent, who has chosen not to accept Virtual Assets as a payment method, you should review the VA/VASP risk assessment to be able to explain why you aren't accepting VAs.
- You are an Online Gambling Operator, you should review the VA/VASP risk assessment if you:
 - a.) accept transactions in any type of either virtual asset or virtual goods;
 - b.) utilise blockchain based products and services;
 - c.) offer in-house virtual goods such as digital skins or in game items;
 - d.) or even if you do not accept VA deposits but are aware of a link between a customer and VA use. For example, where VA is provided a source of wealth or is known to be source of funds prior to deposit.
- You are a TCSP or Accountant who provides services to Online Gambling Operators, you should review the Gambling Sectoral Risk Assessment to understand sectoral risks and the subsequent impact that will have on your risk assessments.

How an industry member then conducts their business, taking into account the NRAs will demonstrate how they understand the level and nature of the ML/TF/PF risks.

If there are substantial changes to a business following this process it is important to be able to talk to them, describing why as a business you've changed. In some ways this is an important story to tell as it demonstrates the evolution of risk over time.

Taking all of the above into account, here are some sample questions taken from our trained and experienced MONEYVAL assessors within the Isle of Man Government. This isn't an exhaustive list, and each assessor is unique in their own understanding of different areas and passions within the methodology. You might find questions are directed towards specific areas of your business or products depending on the background of the individuals, you might find that discussions cover very different areas of your business than you expect them to.

You may be asked for copies of documents to be provided during the meeting, this will be to aid the Assessment Team's understanding and we recommend where possible you facilitate this request, any documentation provided will remain confidential and will not appear in the Island's Evaluation Report.

A process of briefing and debriefing will be undertaken throughout the on-site evaluation to provide insights to both the public and private sector. This process will be important to understand the understanding and passions described above.

Some potential areas of interest

Risk Assessments

"How does your institution identify, assess and document ML/TF/PF risks relevant to your business model and customer base?"

“Are you aware of the NRA, do you agree with the findings of the NRA? If, not why?”

“What do you think are the 3 key risks facing the Isle of Man? (including TF and PF).”

“What do you think are the 3 key risks facing your sector?”

“Describe how your internal risk assessments align with the Isle of Man Suite of NRAs?, and if it doesn’t, why not?”

“Explain the changes you’ve made following the release of the 2026 Suite of NRAs?”

“How do you incorporate the findings of the National Risk Appetite Statement into your internal risk frameworks?”

CDD/EDD/Record Keeping

“Describe your on-boarding procedures (probably focusing on PEPs / enhanced measures / complex structures)”

“How do simplified or enhanced due diligence measures fit into these procedures?”

“What challenges do you face when identifying and verifying customers?” (Especially considering PEPs)

“How do you identify and verify beneficial ownership?”

“Do you use the beneficial ownership register?”

“Describe your record keeping processes”

Governance & Oversight

“Tell us about the board / senior leadership / management ability to oversee AML/CFT Compliance”

It might be wise that if an internal audit has been used to review AML/CFT compliance to have the summaries and findings to hand.

“What resources support AML/CFT Compliance within your organisation?”

Consider here Human / IT Resources (staff numbers & tools etc), are these commensurate to the risks you’ve identified? For example, if you have a large proportion of PEP clients, do you have specialist training or IT tools to identify or assess the risks they pose?

New Technologies

This is not just Virtual Assets, or just for Virtual Asset Service Providers, although they do form a large part of the consideration.

Any industry member might be asked - “Do you accept Virtual Assets?” and the answer is likely to be ‘no’ (as per previous AML Returns). The answer ‘no’ here is just as important as any, as it gives the opportunity for the firm to discuss about why the risks posed by virtual assets are not acceptable. A firm needs to be able to convey why the acceptance of one payment method is acceptable and one isn’t.

Questions around technology will also focus on areas where different technologies can benefit a particular sector such as due diligence tools and could touch on machine learning and artificial intelligence.

Supervisor Interaction

“Have you attended outreach events hosted by the supervisors? How do these outreach events impact your understanding of risk?”

“Are the outreach events useful?”

“Describe the interactions you have with the supervisors”

“When was your last inspection?”

“What were the key findings from your last inspection / how were these findings remediated?”

“How do you monitor implementation of remedial actions?”

Suspicious Activity

“Have you made a SAR to the FIU? How many have you submitted?”

“Describe your process for identifying, escalating and reporting suspicious activity reports to the FIU”

“What feedback have you received from the FIU, and does that impact your identification methods?”

“Does your SAR reporting levels reflect the risk assessments of customers?”

“What are the proportion of internal v external SARs?”

Useful Resources

[Isle of Man’s suite of National Risk Assessments](#)

[FATF 2022 Methodology](#)

[FATF Recommendations](#)

[2022 Procedures for the FATF AML/CFT/CPF Mutual Evaluations, Follow-Up and ICRG](#)

[FATF Immediate Outcomes and Recommendations and key terms](#)

[IOMFSA MONEYVAL FAQs](#)

[MONEYVAL Isle of Man Reports](#)