

#### 4. Terrorism and Crime (Miscellaneous Amendments) Bill 2015 – First Reading approved

Mr Coleman to move:

*That the Terrorism and Crime (Miscellaneous Amendments) Bill 2015 be read a first time.*

**The President:** We turn now to Item 4, the Terrorism and Crime (Miscellaneous Amendments) Bill 2015. I call on the Hon. Member, Mr Coleman.

**Mr Coleman:** Thank you, Madam President.

This Bill, the motivation for it is very much like the previous Bill in that it attempts to make certain that we have all our i's dotted and our t's crossed in preparation for the Moneyval inspection.

This Bill seeks to make a small number of amendments to existing legislation dealing with crime, the proceeds of crime and with terrorism. As Members of Council may be aware, as already stated, an international evaluation of the Island's ability to combat money laundering and financing of terrorism has begun. This evaluation is being undertaken by Moneyval, the Council of Europe's committee of experts on the evaluation of anti-money laundering measures and financing of terrorism. As part of that evaluation process a team of six experts will be visiting the Island for two weeks between 25th April and 7th May to conduct onsite interviews with representatives from Government and industry. However, preparations for this evaluation have been underway for some time and during this work, it was identified that some changes were required to strengthen the legislative framework ahead of this evaluation – for example, in respect of widening definitions of property and ensuring improvements in the speed with which international sanctions agreed by the UN can be applied in the Island. We know from the recent evaluations of other Moneyval members that failure to introduce these changes will be viewed negatively in the final mutual evaluation report by Moneyval.

Unfortunately, as Hon. Members may be aware, the legislative changes which are addressed by this Bill cannot be taken into account by Moneyval unless the legislation is fully in place by the time that the assessment team depart the Island in May. This means that if these changes are to be taken into account for this evaluation process then the very latest time by which Royal Assent can be announced will be at the April sitting of Tynwald.

Clearly the timescale for passing this legislation, which has national importance to the Island, is becoming short. It is for this reason that I will be seeking the support of Members of Legislative Council to suspend Standing Orders so that Second Reading, Clauses, and Third Reading can be addressed at a single sitting on 9th February and the legislation progressed as swiftly as possible.

It is important to say, however, that whilst the forthcoming Moneyval visit brings a degree of priority to these changes, it is clear that in the current climate, measures aimed at preventing or disrupting the financing of terrorism are taking on a very real and particular importance. Therefore, as the Island is a well-known and respected international finance centre, it is important to ensure that the Island's legislation in these matters satisfies current international standards.

Measures to combat money laundering and financing terrorism do not stand still. They are constantly evolving in response to the new threats. The Isle of Man too must be nimble when moving to counter these. This Bill, therefore, also addresses the speed with which the Island moves domestically to implement legislative changes concerning terrorist financing and money laundering when it is considered to be necessary to do so.

In the same way, the speed at which the Island can implement certain international United Nations sanctions relating to terrorism is also an important issue. Lapses of time between such international sanctions being agreed and their being implemented in law is a matter for which a number of jurisdictions have been found wanting where evaluations have recently taken place. Such delays can allow the assets of harmful organisations and individuals to be moved and hidden. This

Bill seeks to minimise such delays by directly implementing such international sanctions once they are agreed.

Madam President, I beg to move that the Terrorism and Crime (Miscellaneous Amendments) Bill 2015 be read for the first time.

**The President:** The Hon. Member, Mr Crookall.

**Mr Crookall:** Thank you, Madam President.  
I beg to second and reserve my remarks.

**The President:** The Hon. Member, Mr Turner.

**Mr Turner:** Thank you, Madam President.

Unlike my enthusiasm for the last Bill of setting up a whole new body which ... It was not really answered so I will be taking up the Member's invitation to contact him for future readings about that. The amendments in here, many of which add to existing provisions, are certainly required regardless of whether I agree with a European body coming in or not, so I will be supporting this Bill.

But I think, when the Member talks about reputation, it is unfortunate when we have things on the news this morning, and I wonder how far reputation goes. We have on the one hand championing the setting up of a whole new statutory board and moving a raft of legislation on behalf of the Department, but then on the news we have the Island's new FSA declining to appear before Westminster over a £75 million miss-selling scandal. So I think if we are serious about reputation we really have to get to the crux of these and not just pay lip service to visiting committees from the Council of Europe.

I think the provisions though in this particular Bill, as the Member said, they have been consulted on, they are required and there are a few anomalies in new legislation we have brought in to do with penalties and so forth, so I will be supporting this Bill here at the First Reading.

**The President:** The mover to reply.

**Mr Coleman:** I thank Mr Turner for his comments and his indications of support.

I too would agree with him that we cannot send out mixed messages and that we should try to send out the message that we are a coherent, well-regulated jurisdiction and everything we do should be based upon sending that message out. (**Mr Anderson:** Hear, hear.)

So, Madam President, I beg to move.

**The President:** The motion before Council is that the Bill be read a first time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it. The motion carries.

That concludes our business this morning, Hon. Members. Council will now adjourn. The adjournment will be until Tuesday, 9th February next week.

*The Council adjourned at 10.58 a.m.*