

1. Financial Intelligence Unit Bill 2015 – Second Reading approved

Mr Coleman to move:

That the Financial Intelligence Unit Bill 2015 be read a second time.

The President: We turn now to the first Item on our Order Paper, the Second Reading and clauses stage of the Financial Intelligence Unit Bill 2015.

I call on the Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

In moving the Second Reading of this Bill I wish to emphasise the importance of this Bill in both the progress of the Moneyval assessment and maintaining our international reputation for being at the forefront in tackling financial crime and money laundering.

Jersey have already had their Moneyval assessment, and one of the recommendations from Moneyval was to put their financial intelligence unit on a statutory footing; another was to provide their financial intelligence unit with powers to obtain additional information when gathering intelligence. The Bill before us seeks to ensure we have both of these things in place before the assessment gets underway in April and May this year.

The Bill describes the functions of the Financial Intelligence Unit (FIU), which is not just intelligence gathering; importantly, it is also the analysis of that intelligence, which will be conducted by experienced and trained analysts, and sharing that intelligence with both on-Island and off-Island agencies.

The Island has international obligations to assist other jurisdictions with the prevention and detection of crime, and in particular financial crime. So, for example, the Chambers of the Acting Attorney General receive some 50-plus requests each year from other jurisdictions to gather intelligence, making use of the Isle of Man courts to order the production to the FIU of evidence. When received, the FIU passes that intelligence on to the requesting law enforcement agency and then itself analyses that evidence, which in turn may result in it being shared with other law enforcement agencies and may result in further requests for intelligence.

Because the current Financial Crime Unit (FCU) deals with both the financial intelligence function and the criminal investigation function, there has been a lack of focus on the intelligence analysis and its dissemination and having a separate body whose function is separate from the investigation that follows. The new FIU will enable it to focus on intelligence using its separate and therefore ring-fenced resources.

Latterly, the FCU staffing complement has been 24 full-time-equivalent staff. The new FIU will have nine of this number seconded for one year: from the Isle of Man Constabulary, five of them; and from Treasury, Customs and Excise, four. The remaining staff in the current FCU will remain with the Isle of Man Constabulary as part of their staff allocation and it will be the Constabulary, as opposed to the current FCU, that will conduct future financial crime investigations. Financial crime officers may still be used in TT and at times of major demand, such as a critical incident. However, new working arrangements would mean that other detectives will be able to assist the financial officers if their workloads are high.

The FIU will, in the event that any intelligence gathered provides elements of a potential crime, pass the intelligence to the Police for investigation. The intention is that the FIU will have its own staff, who may or may not be those officers who are currently seconded. Those who are currently seconded from the Constabulary and from Customs are ring-fenced and cannot now be diverted back from their role to their parent employer for a period of one year.

Madam President, I beg to move that the Financial Intelligence Unit Bill 2015 be read for the second time.

The President: The Hon. Member, Mr Crookall.

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

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I just want to ask the Hon. Member, Mr Coleman, some clarifying questions with regard to this. I have received several requests for clarification following this Bill's passage through the House of Keys.

When this Bill comes into force, the current situation will be that the intelligence staff from the FCU will be seconded over to the new Financial Intelligence Unit, or the ones who are involved in financial intelligence will move to this new body and they will be ring-fenced under that new body. The remainder of the staff from the old FCU, as it was, will then come under Police HQ. Whether the FCU would still retain its name, or will they be blended into the CID for financial investigatory purposes ...? Following that, I know the Hon. Member said those staff who would go back to Police HQ would be primarily involved in financial investigation activities and bringing a case to criminal prosecution, but will they be as ring-fenced as possible for those duties – i.e. they will not just end up in Police HQ and then be deployed everywhere, hither and thither, on neighbourhood policing initiatives and so on; as far as practicable, they will be kept for the financial investigation purposes and ultimately bringing cases to the Attorney General's?

So, I guess it is clarification of those two functions as we see the old FCU disassembled, in that the new Financial Intelligence Unit's sole role will be intelligence gathering and analysis, and that the remaining staff from the old FCU would go to Police HQ and their role would still be for financial investigations and bringing cases to the AG's office – whatever the complexity of that case, they would be involved in that. Those are my clarification queries, Eaghtyrane.

The President: Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

As Members know, I raised some concerns about this at the last sitting. I would like to know from the mover, because it was not clear to me, what this will enable us to do that we cannot already do. And linked with that, I would like to know the costs.

I have mentioned in previous debates that it is important that we do not know the cost of everything and the value of nothing, but at the same time what I am looking at here is if this is going to be at huge additional cost but it will enable us to do nothing more than we can already do, then I question the need for it. So I wonder whether the mover could explain in some detail exactly what the additional costs of setting up this body are in comparison to the additional functions, services or benefits that we are going to get out of setting up a whole new structure from this.

On similar lines to Mr Henderson's queries regarding the moving of staff – he mentioned a number of staff would be moving across on secondment – will existing warranted officers remain police officers during that period? Are the posts going to be backfilled? How is this going to impact staffing numbers? If so – he said they are going to be moved for a year – what happens after the year? If maybe he could explain the process there.

And, like Mr Henderson has already reinforced, how are the officers who are left in the current financial unit, who are going to be moved under the Constabulary, which makes sense because I would hate to think we ended up with two of these – we will set up a new one but we will also keep going with what we have got, because that happens quite a lot when we see these things set up. So exactly the ones who are left and are going to be going back, effectively, under the Constabulary, how are they to be integrated into the force?

I think it is very important that we know these things, especially when we are setting up a whole new structure, which, unless he can answer the 'what will this enable us to do that we cannot do now' question, I am very loathe to support.

The President: The mover to reply.

Mr Coleman: Thank you, Madam President.

I am grateful to Mr Henderson for giving me some pre-notice of these questions, which has enabled me to have communication with the Chief Constable. The Chief Constable has assured me that the people moving back will be ring-fenced, with the exception of perhaps TT and critical incidents.

I think that covers your questions, does it not?

Mr Henderson: And the sole function of the FIU staff.

Mr Coleman: It is purely going to be gathering information and intelligence. They will not be doing investigations or prosecutions.

With reference to Mr Turner and what we get extra, I think the major point of this is that what we get is a negative: it is the lack of criticism when we are evaluated against other financial jurisdictions in the world. I already said, in the Second Reading speech, Jersey has just been criticised for not separating the intelligence from the prosecution. If you think that not being criticised by Moneyval is irrelevant, then I will never be able to change your mind on that. I personally think that, as a financial jurisdiction, the premier rosette, if you will, is a good Moneyval assessment, and I think that reflects upon the Isle of Man.

For the second thing – what about the extra costs – I point you to the information that the Attorney General had distributed to everyone, where it stated that the total cost would be £24,000, which is to do with equipment, because all of the staff are already on the payroll and so these people will just be moving back or keeping in their existing roles. I think I will trust the Attorney General on this when he says that the expense is £24,000, which is the additional cost.

As far as backfilling is concerned, there is none. It is basically taking 24 people and splitting them into two places, one the Financial Intelligence Unit and the other one going back to the Constabulary. Because you are splitting the function as well, you need nine for the FIU and you have got an extra 15 in the Constabulary, so I fail to see where there would be backfilling.

With that, Madam President, I beg to move.

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

Financial Intelligence Unit Bill 2015 – Clauses considered

Mr Coleman to move.

The President: We now turn to the clauses stage of the Bill.

Mr Coleman, you seek to move clauses 1, 2 and 3 together.

Mr Coleman: Yes, thank you, Madam President.

Clause 1 gives the Bill its short title.

Clause 2 gives it its commencement date.

Clause 3 provides interpretation of certain terms within the Bill.

I beg to move that clauses 1 to 3 stand part of the Bill.

The President: Hon. Member, Mr Crookall.

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

The President: The motion is that clauses 1, 2 and 3 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 4.

Mr Coleman: Madam President, clause 4 establishes the Financial intelligence Unit (FIU) as a body corporate, and in schedule 1 makes provision for its constitution, functions, director, board and staff.

I beg to move that clause 4 do stand part of the Bill.

The President: Would you also like to introduce schedule 1, sir?

Mr Coleman: And schedule 1, which basically provides the details of, as I said, the constitution, functions, director, board and staff.

I beg to enter those as well. Thank you, Madam President.

Mr Crookall: I beg to second, Madam President.

The President: The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

The mover mentioned the additional cost of £24,000 for the setting up of this new authority. In schedule 1 we have the appointment of the director and the board. Because his moving of this particular clause and schedule was somewhat brief, maybe he could explain exactly how the director and the board are going to be paid, what the levels of costs are, and is that all going to be met out of the £24,000 that he mentioned at the Second Reading.

This was one of the concerns that was brought up when we were establishing other Statutory Boards. Other Members had raised the fact that some of these payments were almost outside the control of anybody, so I think it is important he places on the record that these costs are going to be met within the additional £24,000, which he said is going to be the total cost.

The President: Mover to reply.

Mr Coleman: Thank you, Madam President.

The board, which is consisting of the Attorney General, the Chief Constable and the Collector of Customs and Excise, will not be getting any additional remuneration. They will be operating pro bono. If Mr Turner would like us to pay, then I am sure the Attorney General would be quite happy!

As far as the director is concerned, there is an interim director in place at the present time and therefore there will be no additional cost to that.

So these are not relevant – well, they are relevant, but they are catered for.

Mr Turner: Thank you.

The President: The motion is, Hon. Members, that clause 4 and schedule 1 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 5.

Mr Coleman: Madam President, clause 5 sets out the general function of the Financial Intelligence Unit as receiving, gathering, analysing, storing and sharing information about financial crime; assisting with the prevention and detection of financial crime; co-operating with law enforcement agencies, as defined in section 10; and contributing to the reduction of crime and the mitigation of its consequences.

I beg to move that clause 5 do stand part of the Bill.

The President: Hon. Member, Mr Crookall.

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

The President: The Hon. Member, Mr Anderson.

Mr Anderson: If I can just ask the mover: I presume these functions take place in the existing organisation at the moment, about sharing information.

Mr Coleman: It is being done at the present time.

The President: The motion is that clause 5 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 6.

Mr Coleman: Madam President, clause 6 sets out the general powers of the Financial Intelligence Unit and defines 'appropriate person' in respect of clause 6(1)(a).

The functions include the ability to ask the Attorney General to recommend an investigation into an offence or alleged offence in relation to financial crime when requested by the Chief Constable to do so; acting in support of the Police Force; when requested by the chief officer of any police force or constabulary outside the Island, to act in support of their activities; to support other law enforcement agencies; to enter into arrangements for co-operating with other bodies or persons; and to assist with the provision of awareness training in relation to financial crime.

Madam President, I beg to move that clause 6 do stand part of the Bill.

The President: Hon. Member, Mr Crookall.

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

The President: The motion is that clause 6 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 7.

Mr Coleman: Madam President, the main purpose of clause 7 is to define who the Financial Intelligence Unit can share information with relating to financial crime within its possession and control.

Essentially, they will be able to transfer information within the Isle of Man Constabulary, any other police force or constabulary outside the Island, the Collector of Customs and Excise, law enforcement agencies and other persons the FIU considers appropriate.

Madam President, I beg to move that clause 7 do stand part of the Bill.

The President: Hon. Member, Mr Crookall.

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

The President: Did you wish to speak, Mr Turner?

Mr Turner: I was just going to comment, Madam President, that of course the 'such other persons as it considers appropriate' virtually leaves it completely wide open, but it does say 'in connection with any of its functions'; so, although it appears to be a catch-all, I am sure that appropriate safeguards will be in place. It was just to put that on the record.

The President: I do not think there is anything to reply to, but do you want to?

Mr Coleman: I will reply to that.

I think the problem that we have is that it is financial crime, and financial crime, when it is being used in the funding of terrorism, moves so quickly, and I think that situations will arise where someone is asking for information who may not be included in that list, who may well be an appropriate person for the purposes that this Bill is meant to satisfy. So I think that it is suitable that we have that catch-all there.

The President: The motion before the Council is that clause 7 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 8.

Mr Coleman: Madam President, clause 8 makes provision for general operational control and, through schedule 1 to the Bill, that the staff of the FIU and any other officer serving with the FIU are under the control and direction of the FIU. This means, for example, that any police officer serving with the FIU cannot be removed from the FIU to deal with other policing issues.

I beg to move that clause 8 do stand part of the Bill.

The President: Mr Crookall.

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

The President: The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

Presumably, then, at the moment, the staffing within the current Financial Crime Unit are deemed as part of the Police Force and go towards the overall headcount of serving officers. With the number of these being moved, it was mentioned earlier on that there would be no backfilling of posts. I think what I was getting at was that because that would see the number of serving officers reduce in the Constabulary because they are going to be moved over, would they be seeking to boost the numbers back up, particularly as these are going to be ring-fenced into the role?

It is important that if you are setting up any body you do not start pulling it apart, so I am just asking again about the numbers, because whilst I accept this is necessary for the setting-up of this body that you intend, do you have any information, being a Member of the Department of Home Affairs, as to whether they will be seeking to replace the numbers in the Constabulary itself to make up for the loss of numbers that are going across to this new unit?

The President: The mover to reply.

Mr Coleman: I think I said earlier that the members of the Constabulary who are going to be remaining within the FIU are going to be seconded. They have already been there, on behalf of the Constabulary, working in the FCU, so again the backfilling does not apply; they just have five officers working elsewhere. In fact, previously, they had more officers working elsewhere.

Mr Turner: Yes, but they cannot put them back, under this.

Mr Coleman: I know of no additional funding for additional Constabulary staff within the Department of Home Affairs. The Department of Home Affairs has said that the total cost of this is going to be £24,000.

The President: The motion is that clause 8 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 9.

Mr Coleman: Madam President, clause 9 provides that the Department of Home Affairs may issue codes of practice relating to the exercise by the FIU of any of its functions, but only after consultation with the FIU and any such persons as it feels appropriate.

I beg to move that clause 9 do stand part of the Bill.

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

The President: The motion is that clause 9 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

Mr Coleman: Madam President, clause 10 defines some of the terms used in part 2 of the Bill and allows the Department of Home Affairs to be able to amend any of the definitions in clause 10(1) by order approved by Tynwald.

Such terms could be 'assigned matters', 'law enforcement agency' or 'revenue matters', which terms are used in part 2 of the Bill. These terms may be added to or amended by the Department of Home Affairs only by order approved by Tynwald.

I beg to move that clause 10 do stand part of the Bill.

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

The President: The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

Could I ask the mover: in clause 7 I mentioned (1)(e), which is about the ability for 'such other persons as it considers appropriate' etc. Surely the law enforcement agencies will cover this, because who would be dealing with matters of crime and terrorism investigations other than law enforcement agencies? Surely the interpretation in section 10 gives authority to part 7(1)(d) and all the bodies listed in that, including the local authorities such as the FSA, the Gambling Supervision Commission and any person 'who is engaged outside the Island', which would, reading this, cover the likes of UK police forces and similar bodies, as exactly it says.

Does he not think that 7(1)(e) is possibly not required, given that they have all the listed law enforcement agencies, and 7(1)(e) is possibly open to abuse?

The President: The mover to reply.

Mr Coleman: Madam President, that list does not include intelligence agencies that might not necessarily be actually involved in enforcement. Law enforcement is not the same as intelligence gathering, certainly from a strategic point of view, and so I think therefore that 7(1)(e) is still required.

The President: Did you wish to clarify?

Mr Turner: If I may, Madam President, yes. It does say in (f):

any other person who is engaged outside the Island in the 9 carrying on of activities similar to any carried on by the FIU,

which is intelligence gathering. So that –

Mr Coleman: That is financial intelligence gathering; we may in the situation where we are talking about terrorism intelligence gathering. *(Interjection by Mr Turner)*

The President: The motion before Council is that – *(Interjection by Mr Corkish)* Did anyone wish to add ...?

Mr Corkish: Only, Madam President, that ... Do we need further clarification on that to obviate the greyness of that area that Mr Turner refers to?

Mr Coleman: I think what we are talking –
I am sorry, Madam President.

The President: I just would like to comment that clause 7 refers to section 10, so if you are not happy with section 10 you have got a reference to it in clause 7 which would be redundant.

Mr Coleman: But I think what we are talking about here is ... Maybe we have got a belt-and-braces approach in the legislation and maybe we would wish to use one of the two, depending on the appropriate circumstances. It is better to have two ways of doing things than just having one way of doing it.

The President: Hon. Members, time to decide.

The motion before Council is that clause 10 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Part 3, clause 11.

Mr Coleman: Madam President, clause 11 allows the FIU to designate members of staff as having the same powers as a constable or an officer of Customs and Excise for a limited or unlimited period and subject to any limitations contained in the designation. Such a designation may be made notwithstanding that any such staff member may already have or have had before coming a FIU staff member such powers.

Subsection (5) provides that before designating a member of staff as a person with the powers of a constable or an officer of Customs and Excise the FIU must be satisfied that the person is capable of effectively exercising such powers, has received adequate training in respect of the exercise of such powers and is otherwise a suitable person to exercise such powers.

Subsection (6) provides that where a person held an office by which they had the powers of a constable or an officer of Customs and Excise before becoming a member of the FIU staff and has not resigned that office the persons powers and duties under that office are to be treated as

suspended for the time they are a member of the staff of the FIU, and revive upon their ceasing to be a member of the staff of the FIU.

Madam President, I beg to move that clause 11 do stand part of the Bill.

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

The President: The motion is that clause 11 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 12.

Mr Coleman: Madam President, clause 12 sets out the particular powers that are exercisable by a person designated by the FIU as a constable. They will have the powers and privileges of a constable in the Island whether under any enactment or not, exercisable for the purpose of the functions of the FIU, subject to any limitation specified in the designation.

Madam President, I beg to move that clause 12 do stand part of the Bill.

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

The President: The Hon. Member, Mr Corkish.

Mr Corkish: Thank you, Madam President.

Just referring to 12(3), it was just terminology really, I hope I am not being pedantic:

If any of those powers and privileges, when exercisable by a constable, are exercisable elsewhere than in the Island or the waters adjacent ...

Is that a usual terminology?

Mr Coleman: I think –

The President: Can we see if any else wishes to speak before you reply.

Mr Coleman: Sorry, Madam President.

The President: No. Member to reply, please.

Mr Coleman: I think that refers to territorial waters and if we have a constable who went out on a – (**A Member:** Fishing expedition) No, (*Laughter*) literally on fishing expeditions to search a boat or something like that then the waters would need to apply. Just if they are coming into territorial waters, then these officials or designations need to be valid.

The President: The motion is that clause 12 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 13.

Mr Coleman: Madam President, clause 13 is the same as clause 12 but relates to a person designated as a Customs and Excise officer by the FIU, rather than a constable.

I beg to move that clause 13 do stand part of the Bill.

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

The President: The motion is that clause 13 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 14.

Mr Coleman: Madam President, clause 14 covers the requirement of a designated person of the FIU to produce evidence of this designation if requested to do so.

I beg to move that clause 14 do stand part of the Bill.

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

The President: The motion is that clause 14 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 15.

Mr Coleman: Madam President, clause 15 makes it an offence for anyone to prevent a designated person from the FIU exercising their powers and states the penalties for these offences.

I beg to move that clause 15 do stand part of the Bill.

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

The President: The motion is that clause 15 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 16.

Mr Coleman: Madam President, clause 16 gives the Department of Home Affairs an enactment to amend the powers of a designated person subject to Tynwald approval. These enactments can be in relation to have the power to tax duty or import and export restrictions to be put in place.

I beg to move that clause 16 do stand part of the Bill.

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

The President: The motion is that clause 16 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 17.

Mr Coleman: Madam President, clause 17 sets out various defined terms used in Part 3 of the Bill. These are such terms as 'designated person' and 'waters adjacent to the Island'.

Mr Corkish: Thank you for that. *(Laughter)*

Mr Coleman: I beg to move that clause 17 do stand part of the Bill.

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

The President: The Hon. Member, Mr Anderson.

Mr Anderson: Madam President, maybe the mover could read out the definition for Mr Corkish of 'waters adjacent to the Island.'

The President: The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

I meant to raise this in Part 2, but it is the same subject actually, I just could not read my own writing.

I wonder, and it might be more for the Attorney General this question, we seem to have a new style of drafting here. Where we used to have a master list of interpretation at the start of a Bill, or it used to be at the end originally, it has now come to the front and we are now seeing these appear throughout the Bill which can be helpful, but at the same time is it a style that is changing because obviously when we had a consultation on the drafting of these we were trying to make it *very* clear so you look for the interpretation and at a push you are only getting a bit of it and now it is appearing piecemeal through the Bill.

I just wondered is this a new style that is going forward and if so is there any merit in having almost like a master list of interpretation? Because I think whilst it is helpful in little chunks it might not necessarily be if you are reading a Bill as a whole, and in particular with amendment Bills that may come forward.

The President: The mover to reply.

Mr Coleman: I will defer to the Attorney General, but I would remind the questioner that we did in this very place pass the Interpretation Bill and the Interpretation Bill attempts to put most of these terms into it such that it can be a central repository to go away and look at these. And I would imagine that these are placed in places where they are not going to be placed in the Interpretation Act and adjacent to where they are referred to.

But I will now defer to the Acting Attorney General.

Mr Turner: That's clear! *(Laughter)*

The Acting Attorney General: Thank you, Madam President.

It clearly is a new style of drafting and essentially, I mean I defer to Mr Coleman, the view taken by the drafters is that in a particular part of a Bill, if it is considered helpful from a drafting perspective to focus on definitions in that particular area rather than others, I believe that the thought is that that will assist the reader. However, if there are concerns, and I will take those concerns away, we can look at it again, but it has been made with good intent to try and help. So I will take Mr Turner's comments back and we will look at it again.

I am sorry, Madam President.

Mr Turner: Can I just clarify?

The President: Yes.

Mr Turner: It was merely a question. I did acknowledge that it is helpful when reading a part of a Bill that it is there, but I just have not seen it appear very often in this way that we were getting an interpretation of each Part. Because we also did have on page 7 in the introductory, the main interpretation, so I just wondered how that had come about. Whether that was a new way of doing things, I am not particularly for or against it, as I said it was just more of a query I had.

The President: Thank you.

The motion is that clause 17 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Part 4, clause 18.

Mr Coleman: Madam President, clause 18 empowers the FIU to gain additional information from an initial provider of information from someone who is identifiable from the initial information or a person who the FIU reasonably believes to hold relevant information. The information gained is not admissible in criminal proceedings against the person other than in relation to an offence under clause 20 of the Bill. Clause 20 of the Bill involves offences for failing to comply with a request for information.

Madam President, I beg to move that clause 18 do stand part of the Bill.

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

The President: The motion is that clause 18 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 19.

Mr Coleman: Madam President, clause 19 sets out the criteria for making the request for information and gives the ability for the Department of Home Affairs by order to vary the categories of information in subsection 2 of this clause that may be sought.

I beg to move that clause 19 do stand part of the Bill.

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

The President: The motion is that clause 19 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 20.

Mr Coleman: Madam President, clause 20 sets out that a person who fails to comply with a request for information, wilfully obstructs another person in complying with a request or recklessly makes a statement that is false under section 18(4) commits an offence. It also sets out the penalties for such offences.

I beg to move that clause 20 do stand part of the Bill.

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

The President: The motion is that clause 20 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 21.

Mr Coleman: Madam President, clause 21 sets out various defined terms used in Part 4 of the Bill. This is very similar to the point that Mr Turner raised about the siting of definitions throughout the Bill as and where they apply.

I beg to move that clause 21 do stand part of the Bill.

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

The President: The motion is that clause 21 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Part 5, clause 22.

Mr Coleman: Madam President, clause 22 allows the FIU to use the information it obtains for any of its functions in the exercise of any of its functions.

I beg to move that clause 22 do stand part of the Bill.

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

The President: The motion is that clause 22 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 23.

Mr Coleman: Madam President, clause 23 empowers the FIU to disclose any information contained in connection with its functions for any purpose permitted in clause 28(1), and subject to clause 33, provides that such disclosure does not breach certain obligations of confidence.

I beg to move that clause 23 do stand part of the Bill.

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

The President: The motion is that clause 23 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 24.

Mr Coleman: Madam President, clause 24 covers disclosure of information by any person to the FIU, again this disclosure does not breach certain obligations of confidence.

I beg to move clause 24 do stand part of the Bill.

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

The President: The motion is that clause 24 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 25.

Mr Coleman: Madam President, clause 25 imposes restrictions on disclosure. It really refers to restrictions on the further disclosure of information on the recipient of any information disclosed by the FIU other than for the purposes connected with any function of that body. And the purposes of which the information was disclosed by the FIU for any permitted purpose which is dividing section 28(1) or with the written consent of the FIU which may be given in relation to a particular disclosure or in relation to specified circumstances.

Madam President, I beg to move that clause 25 do stand part of the Bill.

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

The President: The motion is that clause 25 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 26.

Mr Coleman: Madam President, clause 26 makes failure to comply with clause 25 an offence and details the penalties should such an offence be committed.

I beg to move that clause 26 do stand part of the Bill.

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

The President: The motion is that clause 26 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 27.

Mr Coleman: Madam President, clause 27 gives the Department of Home Affairs the ability, following consultation with the relevant parties, to amend by order any enactment relating to the disclosure of information.

I beg to move that clause 27 do stand part of the Bill.

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

The President: The motion is that clause 27 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 28.

Mr Coleman: Madam President, clause 28 defines certain terms in Part 5 of the Bill.

I beg to move that clause 28 do stand part of the Bill.

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

The President: The motion is that clause 28 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Part 6, clause 29.

Mr Coleman: Madam President, clause 29 sets out the procedures for the prosecution by the Attorney General of offences or alleged offences relating to financial crime.

I beg to move that clause 29 do stand part of the Bill.

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

The President: The motion is that clause 29 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 30.

Mr Coleman: Madam President, clause 30 imposes a duty on the Chief Constable and the Collector of Customs and Excise to keep the FIU informed of any information relating to crime or conduct on the Island that is relevant to the FIU's function.

I beg to move that clause 30 do stand part of the Bill.

Mr Crookall: I beg to second, Madam President.

The President: The motion is that clause 30 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 31.

Mr Coleman: Madam President, clause 31 makes it a duty for certain persons specified in the clause to assist the FIU in exercise of its functions. This may fall upon a constable, any officer of Customs and Excise, the Income Tax Division of Treasury, and where applicable each Department and Statutory Board.

Madam President, I beg to move that clause 31 do stand part of the Bill.

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

The President: The motion is that clause 31 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 32.

Mr Coleman: Madam President, clause 32 allows the Department of Home Affairs to make regulations and what they may contain in accordance with the Act, subject to Tynwald approval.

I beg to move that clause 32 do stand part of the Bill.

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

The President: The motion is that clause 32 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 33.

Mr Coleman: Madam President, clause 33 provides that nothing in this Act authorises a disclosure of personal data in breach of the Data Protection Act.

I beg to move that clause 33 do stand part of the Bill.

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

The President: The motion is that clause 33 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 34 and Schedule 2.

Mr Coleman: Madam President, clause 34 deals with the cessation of the Financial Crime Unit, the FCU, and the transfer of the property, rights, liabilities and staff from the FCU to the new FIU. Schedule 2 deals with the transfer of functions rather than the actual work involved.

I beg to move that clause 34 do stand part of the Bill.

The President: And Schedule 2, sir?

Mr Coleman: And Schedule 2, I am sorry.

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

The President: The motion is that clause 34 and Schedule 2 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 35.

Mr Coleman: Madam President, clause 35 provides for any expenses of the FIU and the Department of Home Affairs arising from the introduction of this Bill to be paid out of money provided by Tynwald.

I beg to move that clause 35 do stand part of the Bill.

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

The President: The Hon. Member, Mr Anderson.

Mr Anderson: Madam President, can I just ask the mover, is this a standard clause in all these Bills? Because one would have thought this would have been automatic.

Mr Crookall: Madam President, could I also ask the mover, is there any chance that there could be a claim here to the Proceeds of Crime rather than going through what Tynwald provides here for any expenses that are incurred by FIU or DHA?

Mr Coleman: I think that that would depend upon the circumstances involved because ... you are referring to the Seized Assets Fund. **(Mr Crookall: Yes.)** I have just recently had to make an application to the Seized Assets Fund and the reasons you can claim from it is quite an arduous process, the form is quite a long form. But there is a possibility; it would depend entirely upon the circumstances.

Mr Crookall: But the wording of this, Madam President, not leave it that you cannot do that and it only has to come through from Tynwald funds or would those funds come under Tynwald eventually?

Mr Coleman: Well the wording does say 'shall' which would tend to preclude other options and all I can do on this one is refer to the Attorney General. Acting Attorney General, if you have any idea?

The Acting Attorney General: Madam President, if I may assist.

Dealing with the Seized Assets Fund, it would be available to fund payments that might be necessary with reference to the FIU going forward, but that, of course, will be subject to Treasury concurrence, so there is that control there.

With reference to the expenses here, I have in the paper which I have circulated to Members identified the expense, and I think it is £24,000, if I could just clarify that. That is coming from existing budgets, so Tynwald would not have to actually be called upon for expenses in this case.

However, I think the point has been made that if there were expenses they would have to be paid out of monies provided by Tynwald. Whether those expenses are separately discharged from the Seized Assets Fund is a matter which I cannot anticipate.

The President: Do you have a response for the Hon. Member, Mr Anderson?

Mr Coleman: I think that the situation here is, of course, the money provided by Tynwald can also apply to the money which goes to Departments and if the DHA is going to make a payment then that is essentially coming from an allocation by Tynwald as per the budget. This is a standard clause that is in all of these things really.

Mr Anderson: That is all I was looking for.

Mr Coleman: I think it is probably on the template!

The President: The motion is?

Mr Coleman: I beg to move that clause 35 do stand part of the Bill.

The President: The motion is that clause 35 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 36 and Schedule 3.

Mr Coleman: Madam President, clause 36 provides for the Acts detailed in Schedule 3 to be amended as set out in the Schedule.

I beg to move that clause 36 and Schedule 3 do stand part of the Bill.

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

The President: The motion is that clause 36 and Schedule 3 stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that concludes consideration of the clauses.